UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2013

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ____________ to ____________

Commission file number 000-19969

ARKANSAS BEST CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	71-0673405
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3801 Old Greenwood Road
Fort Smith, Arkansas 72903
(479) 785-6000
(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

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. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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). [X] Yes [ ] No

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [X] 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 [X] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 2, 2013
Common Stock, $0.01 par value	25,730,114 shares

ARKANSAS BEST CORPORATION

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PART I.
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ARKANSAS BEST CORPORATION
CONSOLIDATED BALANCE SHEETS

	June 30 2013	December 31 2012
	(Unaudited)	
	(in thousands, except share data)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 88,553**	$ 90,702
Short-term investments	**29,879**	29,054
Restricted cash, cash equivalents, and short-term investments	**1,901**	9,658
Accounts receivable, less allowances (2013 – $5,439; 2012 – $5,249)	**206,168**	180,631
Other accounts receivable, less allowances (2013 – $1,427; 2012 – $1,334)	**6,615**	6,539
Prepaid expenses	**16,346**	17,355
Deferred income taxes	**42,293**	39,245
Prepaid and refundable income taxes	**6,232**	5,681
Other	**7,306**	7,185
TOTAL CURRENT ASSETS	**405,293**	386,050
PROPERTY, PLANT AND EQUIPMENT		
Land and structures	**245,148**	243,699
Revenue equipment	**590,445**	589,729
Service, office, and other equipment	**120,848**	119,456
Software	**107,195**	103,164
Leasehold improvements	**23,442**	23,272
	1,087,078	1,079,320
Less allowances for depreciation and amortization	**673,074**	635,292
	414,004	444,028
GOODWILL	**76,448**	73,189
INTANGIBLE ASSETS, net	**77,474**	79,561
OTHER ASSETS	**51,381**	51,634
	$ 1,024,600	$ 1,034,462
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank overdraft and drafts payable	**$ 15,672**	$ 13,645
Accounts payable	**94,770**	84,292
Income taxes payable	**162**	59
Accrued expenses	**170,414**	158,668
Current portion of long-term debt	**37,030**	43,044
TOTAL CURRENT LIABILITIES	**318,048**	299,708
LONG-TERM DEBT, less current portion	**96,946**	112,941
PENSION AND POSTRETIREMENT LIABILITIES	**51,941**	104,673
OTHER LIABILITIES	**12,558**	12,832
DEFERRED INCOME TAXES	**63,954**	45,309
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, authorized 70,000,000 shares; issued 2013: 27,390,446 shares; 2012: 27,296,285 shares	**274**	273
Additional paid-in capital	**290,355**	289,711
Retained earnings	**274,027**	284,157
Treasury stock, at cost, 1,677,932 shares	**(57,770)**	(57,770)
Accumulated other comprehensive loss	**(25,733)**	(57,372)
TOTAL STOCKHOLDERS' EQUITY	**481,153**	458,999
	$ 1,024,600	$ 1,034,462

See notes to consolidated financial statements.

ARKANSAS BEST CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(Unaudited) *(in thousands, except share and per share data)*			
OPERATING REVENUES	**$ 576,899**	$ 510,543	**$ 1,097,586**	$ 951,410
OPERATING EXPENSES AND COSTS	**568,482**	503,342	**1,112,520**	967,196
OPERATING INCOME (LOSS)	**8,417**	7,201	**(14,934)**	(15,786)
OTHER INCOME (EXPENSE)				
Interest and dividend income	**161**	215	**332**	469
Interest expense and other related financing costs	**(1,079)**	(1,112)	**(2,286)**	(2,255)
Other, net	**366**	(220)	**1,450**	1,120
	(552)	(1,117)	**(504)**	(666)
INCOME (LOSS) BEFORE INCOME TAXES	**7,865**	6,084	**(15,438)**	(16,452)
INCOME TAX PROVISION (BENEFIT)	**2,987**	(5,757)	**(6,921)**	(10,131)
NET INCOME (LOSS)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
EARNINGS (LOSS) PER COMMON SHARE				
Basic	**$ 0.18**	$ 0.44	**$ (0.33)**	$ (0.25)
Diluted	**$ 0.18**	$ 0.44	**$ (0.33)**	$ (0.25)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	**25,694,327**	25,544,455	**25,666,484**	25,496,871
Diluted	**25,694,327**	25,544,455	**25,666,484**	25,496,871
CASH DIVIDENDS DECLARED PER COMMON SHARE	**$ 0.03**	$ 0.03	**$ 0.06**	$ 0.06

See notes to consolidated financial statements.

ARKANSAS BEST CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(Unaudited) *(in thousands, except share and per share data)*			
NET INCOME (LOSS)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
OTHER COMPREHENSIVE INCOME, net of tax				
Unrecognized net actuarial gain and curtailment, net of tax of: (2013 – Three-month period $18,001, Six-month period $18,001)	**28,274**	–	**28,274**	–
Amortization of unrecognized net periodic benefit costs, net of tax of: (2013 – Three-month period $1,115, Six-month period $2,229; 2012 – Three-month period $1,089, Six-month period $2,178)				
Net actuarial loss	**1,779**	1,739	**3,558**	3,478
Prior service credit	**(29)**	(29)	**(58)**	(58)
Change in foreign currency translation, net of tax of: (2013 – Three-month period $76, Six-month period $87; 2012 – Three-month period $17, Six-month period $9)	**(116)**	(27)	**(135)**	(14)
OTHER COMPREHENSIVE INCOME, net of tax	**29,908**	1,683	**31,639**	3,406
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 34,786**	$ 13,524	**$ 23,122**	$ (2,915)

See notes to consolidated financial statements.

ARKANSAS BEST CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Loss	Total Equity
				(Unaudited) *(in thousands)*				
Balances at December 31, 2012	**27,296**	**$ 273**	**$ 289,711**	**$ 284,157**	**1,678**	**$ (57,770)**	**$ (57,372)**	**$ 458,999**
Net loss				(8,517)				(8,517)
Other comprehensive income, net of tax							31,639	31,639
Issuance of common stock under share-based compensation plans	94	1	(1)					–
Tax effect of share-based compensation plans and other			(1,840)					(1,840)
Share-based compensation expense			2,485					2,485
Dividends declared on common stock				(1,613)				(1,613)
Balances at June 30, 2013	**27,390**	**$ 274**	**$ 290,355**	**$ 274,027**	**1,678**	**$ (57,770)**	**$ (25,733)**	**$ 481,153**

See notes to consolidated financial statements.

ARKANSAS BEST CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30	
	2013	**2012**
	(Unaudited) *(in thousands)*	
OPERATING ACTIVITIES		
Net loss	**$ (8,517)**	$ (6,321)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	**43,914**	39,970
Amortization of intangibles	**2,087**	200
Share-based compensation expense	**2,485**	3,342
Provision for losses on accounts receivable	**1,312**	729
Deferred income tax benefit	**(5,761)**	(8,520)
Gain on sale of property and equipment	**(391)**	(516)
Changes in operating assets and liabilities:		
Receivables	**(26,617)**	(20,885)
Prepaid expenses	**1,402**	1,363
Other assets	**(297)**	(452)
Income taxes	**163**	522
Accounts payable, accrued expenses, and other liabilities	**18,152**	4,740
NET CASH PROVIDED BY OPERATING ACTIVITIES	**27,932**	14,172
INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net of financings	**(8,638)**	(18,401)
Proceeds from sale of property and equipment	**1,430**	2,692
Purchases of short-term investments	**(6,692)**	(22,143)
Proceeds from sale of short-term investments	**5,914**	9,555
Business acquisitions, net of cash acquired	**(4,146)**	(180,793)
Capitalization of internally developed software and other	**(4,050)**	(3,435)
NET CASH USED IN INVESTING ACTIVITIES	**(16,182)**	(212,525)
FINANCING ACTIVITIES		
Borrowings under credit facilities	**–**	100,000
Payments on long-term debt	**(22,009)**	(12,303)
Net change in bank overdraft and other	**2,026**	(5,510)
Net change in restricted cash, cash equivalents, and short-term investments	**7,758**	31,668
Deferred financing costs	**(61)**	(1,574)
Payment of common stock dividends	**(1,613)**	(1,605)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(13,899)**	110,676
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,149)**	(87,677)
Cash and cash equivalents at beginning of period	**90,702**	141,295
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 88,553**	$ 53,618
NONCASH INVESTING ACTIVITIES		
Accruals for equipment received	**$ 268**	$ 7,416
Equipment financed	**$ –**	$ 21,370

See notes to consolidated financial statements.

NOTE A – ORGANIZATION AND DESCRIPTION OF THE BUSINESS AND FINANCIAL STATEMENT PRESENTATION

Arkansas Best Corporation (the "Company"), the parent holding company, is a freight transportation services and integrated logistics solutions provider. The Company's principal operations are conducted through its Freight Transportation segment, which consists of ABF Freight System, Inc. and certain other subsidiaries of the Company (collectively "ABF"). The Company's other reportable operating segments are Premium Logistics and Expedited Freight Services, Truck Brokerage and Management, Emergency and Preventative Maintenance, and Household Goods Moving Services (see Note K).

ABF represented approximately 78% of the Company's total revenues before other revenues and intercompany eliminations for the six months ended June 30, 2013. As of June 2013, approximately 75% of ABF's employees were covered under a collective bargaining agreement, the National Master Freight Agreement (the "NMFA"), with the International Brotherhood of Teamsters (the "IBT"). Prior to the March 31, 2013 expiration of the NMFA, ABF and the IBT agreed to an extension of the collective bargaining agreement under the same terms and conditions of the existing contract. Subsequent and similar extensions were agreed to, the most recent of which is effective through August 31, 2013.

On June 27, 2013, a new five-year collective bargaining agreement, the ABF National Master Freight Agreement (the "2013 ABF NMFA"), was ratified by a majority of ABF's IBT member employees who chose to vote. A majority of the supplements to the 2013 ABF NMFA were also approved. ABF is currently seeking approval of the remaining supplemental agreements. Upon ratification of the remaining supplemental agreements, the 2013 ABF NMFA will be implemented and remain in effect through March 31, 2018. The primary changes to the labor agreement under the 2013 ABF NMFA include an immediate 7% wage rate reduction from the implementation date through March 31, 2014 followed by wage rate increases of 2% in the next three years and a 2.5% increase in the fifth year of the contract; a one-week reduction in annual compensated vacation effective for employee anniversary dates on or after April 1, 2013; the option to expand the use of purchased transportation; and increased flexibility in labor work rules. The 2013 ABF NMFA and the related supplemental agreements provide for continued contributions to health, welfare, and pension plans for which the rates would be applied retroactively back to August 1, 2013 and are estimated to increase an average of approximately 3.5% to 4.5% annually over the life of the agreement. Not all of the contract changes would be implemented immediately upon ratification of the remaining supplements and, therefore, expected net cost reductions would be realized over time. In the event the remaining supplemental agreements are not ratified, a work stoppage, the loss of customers, or other events could occur that could have a material adverse effect on the Company's competitive position, results of operations, cash flows, and financial position in 2013 and subsequent years. In the event of a temporary work stoppage, the Company plans to meet its liquidity needs primarily through existing liquidity, cash flows from its non-asset-based operations, available net working capital, funds from the sale or financing of other assets, reduction of spending levels, and elimination of dividends.

On June 15, 2012, the Company acquired 100% of the common stock of Panther Expedited Services, Inc. ("Panther"), which is reported as the Premium Logistics and Expedited Freight Services segment (see Note K). See Note C for further discussion of the Panther acquisition.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and applicable rules and regulations of the Securities and Exchange Commission (the "Commission") pertaining to interim financial information. Accordingly, these interim financial statements do not include all information or footnote disclosures required by accounting principles generally accepted in the United States for complete financial statements and, therefore, should be read in conjunction with the audited financial statements and accompanying notes included in the Company's 2012 Annual Report on Form 10-K and other current filings with the Commission. The consolidated balance sheet as of June 30, 2013 was affected by curtailment of the Company's nonunion defined benefit pension plan (see Note G). In the opinion of management, all other adjustments (which are of a normal and recurring nature) considered necessary for a fair presentation have been included.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosed amounts of contingent liabilities, and the reported amounts of revenues and expenses. If the underlying estimates and assumptions upon which the financial statements and accompanying notes are based change in future periods, actual amounts may differ from those included in the accompanying consolidated financial statements.

NOTE B – FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial Instruments

The following table presents the components of cash and cash equivalents, short-term investments, and restricted funds:

	June 30 2013	December 31 2012
	(in thousands)	
Cash and cash equivalents		
Cash deposits[(1)]	**$ 35,848**	$ 48,293
Variable rate demand notes[(1)(2)]	**29,904**	29,807
Money market funds[(3)]	**22,801**	12,602
	$ 88,553	$ 90,702
Short-term investments		
Certificates of deposit[(1)]	**$ 29,879**	$ 29,054
Restricted cash, cash equivalents, and short-term investments[(4)]		
Cash deposits[(1)]	**$ 1,901**	$ 5,901
Certificates of deposit[(1)]	**–**	3,757
	$ 1,901	$ 9,658

(1) Recorded at cost plus accrued interest, which approximates fair value.
(2) Amounts may be redeemed on a daily basis with the original issuer.
(3) Recorded at fair value as determined by quoted market prices (see amounts presented in the table of financial assets measured at fair value within this Note).
(4) Amounts restricted for use are subject to change based on the requirements of the Company's collateralized facilities (see Note F).

The Company's long-term investment financial instruments are presented in the table of financial assets measured at fair value within this Note.

Concentrations of Credit Risk of Financial Instruments
The Company is potentially subject to concentrations of credit risk related to its cash, cash equivalents, and short-term investments. The Company reduces credit risk by placing its cash, cash equivalents, and short-term investments with major financial institutions and corporate issuers that have high credit ratings and by investing unrestricted short-term investments primarily in FDIC-insured certificates of deposit with varying original maturities of ninety-one days to one year. However, certain cash deposits and certificates of deposit, including those pledged as collateral for outstanding letters of credit (see Note F), may exceed federally insured limits. At June 30, 2013 and December 31, 2012, cash, cash equivalents, and certificates of deposit of $65.8 million and $53.8 million, respectively, were not FDIC insured.

Fair Value Disclosure of Financial Instruments
Fair value disclosures are made in accordance with the following hierarchy of valuation techniques based on whether the inputs of market data and market assumptions used to measure fair value are observable or unobservable:

- Level 1 – Quoted prices for identical assets and liabilities in active markets.
- Level 2 – Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

- Level 3 – Unobservable inputs (Company's market assumptions) that are significant to the valuation model.

The fair value of the Company's Term Loan and note payable debt obligations (see Note F) approximate the amounts recorded in the consolidated balance sheets as presented in the following table:

	June 30 2013		December 31 2012	
	(in thousands)			
	Carrying Value	Fair Value	Carrying Value	Fair Value
Term loan[(1)]	**$ 90,000**	**$ 90,000**	$ 95,000	$ 95,000
Notes payable[(2)]	**30,142**	**30,195**	37,756	37,904
	$ 120,142	**$ 120,195**	$ 132,756	$ 132,904

(1) The Term Loan, which was entered into on June 15, 2012, carries a variable interest rate based on LIBOR, plus a margin, that is considered to be priced at market for debt instruments having similar terms and collateral requirements (Level 2 of the fair value hierarchy).
(2) Fair value of the notes payable was determined using a present value income approach based on quoted interest rates from lending institutions with which the Company would enter into similar transactions (Level 2 of the fair value hierarchy).

Financial Assets Measured at Fair Value

The following table presents the assets that are measured at fair value on a recurring basis, based upon quoted prices for identical assets in active markets (Level 1 of the fair value hierarchy):

	June 30 2013	December 31 2012
	(in thousands)	
Money market funds[(1)]	**$ 22,801**	$ 12,602
Equity, bond, and money market mutual funds held in trust related to the Voluntary Savings Plan[(2)]	**2,602**	3,035
	$ 25,403	$ 15,637

(1) Included in cash and cash equivalents.
(2) Nonqualified deferred compensation plan investments consist of U.S. and international equity mutual funds, government and corporate bond mutual funds, and money market funds which are held in a trust with a third-party brokerage firm. Quoted market prices are used to determine fair values of the investments which are included in other long-term assets, with a corresponding liability reported within other long-term liabilities.

NOTE C – ACQUISITION

On June 15, 2012, the Company acquired 100% of the common stock of Panther for $180.0 million in cash, net of cash acquired. The acquisition was funded with cash on hand and a $100.0 million secured Term Loan (see Note F). The results of Panther's operations subsequent to the acquisition date have been included in the accompanying consolidated financial statements. The Company recognized $2.1 million (pre-tax) of acquisition related costs in second quarter 2012. The acquisition of Panther enhances the Company's end-to-end logistics solutions and expands the Company's customer base and business diversification. Panther is reported as the Premium Logistics and Expedited Freight Services operating segment (see Note K).

The following table summarizes the fair values of the acquired assets and liabilities at the acquisition date. Measurement period adjustments recorded to Panther's goodwill during 2013 are presented in Note D.

	Purchase Allocation
	(in thousands)
Accounts receivable	$ 31,824
Prepaid expenses	5,205
Deferred income taxes	2,085
Property and equipment (excluding acquired software)	5,678
Software	31,600
Intangible assets	79,000
Other assets	3,866
Total identifiable assets acquired	159,258
Accounts payable	13,344
Accrued expenses and other current liabilities	7,436
Other liabilities	228
Deferred income taxes	29,307
Total liabilities	50,315
Net identifiable assets acquired	108,943
Goodwill	71,096
Cash paid, net of cash acquired	$ 180,039

The amount reflected as "Business acquisition, net of cash acquired" in the accompanying consolidated statement of cash flows for the six months ended June 30, 2012 was based on a preliminary net working capital adjustment to the purchase price, which differs from the final amount reflected in the table above. The fair value of accounts receivable acquired was $31.8 million, having a gross contractual amount of $32.3 million as of June 15, 2012 with $0.5 million expected by the Company to be uncollectible. The value assigned to acquired software reflected estimated reproduction costs, less an obsolescence allowance. The recorded amount of acquired software is being amortized on a straight-line basis over seven years. Software is included within property, plant and equipment in the Company's consolidated balance sheets. See Note D for further discussion of acquired goodwill and intangibles.

The following unaudited pro forma supplemental information presents the Company's consolidated results of operations for the three and six months ended June 30, 2012 as if the Panther acquisition had occurred on January 1, 2011:

	Three Months Ended June 30 2012	Six Months Ended June 30 2012
	(in thousands, except per share data)	
Revenue	$ 563,889	$ 1,056,486
Income (loss) before income taxes	$ 9,410	$ (13,190)
Net income (loss) attributable to Arkansas Best Corporation	$ 5,793	$ (7,769)
Diluted EPS	$ 0.22	$ (0.31)

The pro forma results of operations are based on historical information adjusted to include the pro forma effect of applying the Company's accounting policies; eliminating sales transactions between the Company and Panther; adjusting amortization expense for the acquired fair value and the amortization periods of software and intangible assets; adjusting interest expense and interest income for the financing of the acquisition; eliminating transaction expenses related to the acquisition; and the related tax effects of these adjustments. The pro forma information has also been adjusted for the impact on the income tax provision or benefit, as applicable, resulting from changes in deferred tax asset valuation allowances which were primarily attributable to the Panther acquisition. As a result, the pro forma information excludes the reversal of deferred tax valuation allowances of $8.0 million ($0.31 per share) for the three months ended June 30, 2012 and $3.3 million ($0.13 per share) for the six months ended June 30, 2012 (see Note E). The pro forma information is presented for illustrative purposes only and does not reflect either the realization of potential cost savings or any related integration costs. Certain cost savings may result from the Panther acquisition, although there can be no assurance these will be achieved. The pro forma information does not purport to be indicative of the results that would have actually been obtained if the acquisition had occurred as of the date indicated, nor does the pro forma information intend to be a projection of results that may be obtained in the future.

On May 31, 2013, Albert Companies, Inc., a subsidiary of the Company whose operations are included in the Household Goods Moving Services segment (see Note K), acquired a privately-owned logistics company for net cash consideration of $4.1 million. The results of the acquired operations subsequent to the acquisition date have been included in the accompanying consolidated financial statements. As the acquired business is not material to the Company's consolidated operating results and financial position, pro forma financial information has not been presented.

NOTE D – GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of cost over the fair value of net identifiable tangible and intangible assets acquired. Goodwill by reportable operating segment consisted of the following:

	Household Goods Moving Services	**Premium Logistics and Expedited Freight Services**	**Total**
		(in thousands)	
Balance December 31, 2012	$ 3,660	$ 69,529	$ 73,189
Purchase accounting adjustments	–	1,567	1,567
Goodwill acquired	1,692	–	1,692
Balance June 30, 2013	$ 5,352	$ 71,096	$ 76,448

Goodwill of the Premium Logistics and Expedited Freight Services segment associated with the Panther acquisition was attributable primarily to intangible assets that do not qualify for separate recognition, an assembled workforce, and the recognition of deferred tax liabilities for the acquired intangible assets, including software, which are not deductible for income tax purposes. A substantial portion of the Panther goodwill is not deductible for income tax purposes. The goodwill balance of $1.7 million related to the May 31, 2013 acquisition of a privately-owned logistics company included in the Household Goods Moving Services segment (see Note C) is expected to be fully deductible for tax purposes.

Intangible assets consisted of the following as of June 30, 2013:

	Weighted Average Amortization Period	Cost	Accumulated Amortization	Net Value
	(in years)		*(in thousands)*	
Finite-lived intangible assets				
Customer relationships	14	$ 43,500	$ 3,237	$ 40,263
Driver network	3	3,200	1,111	2,089
	13	46,700	4,348	42,352
Indefinite-lived intangible assets				
Trade name	N/A	32,300	N/A	32,300
Other	N/A	2,822	N/A	2,822
		35,122		35,122
Total intangible assets	N/A	$ 81,822	$ 4,348	$ 77,474

Intangible assets, except for the $2.8 million of other indefinite-lived assets, were acquired in conjunction with the June 2012 acquisition of Panther. Amortization expense on intangible assets (excluding acquired software which is reported within property, plant and equipment) is expected to approximate $4 million for 2013 and is anticipated to range between $3 million and $4 million per year for 2014 through 2017. Acquired software is expected to be amortized on a straight-line basis over seven years, resulting in approximately $5 million of annual amortization expense (which is reported as depreciation expense) for 2013 through 2017.

NOTE E – INCOME TAXES

The Company's statutory federal tax rate is 35%. State tax rates vary among states and average approximately 6.0% to 6.5%, although some state rates are higher and a small number of states do not impose an income tax. The effective tax rate for the three months ended June 30, 2013 was 38.0%. The effective tax benefit rate for the six months ended June 30, 2013 was 44.8%, due primarily to the alternative fuel tax credit. The effective tax benefit rate for the three and six months ended June 30, 2012 was 94.6% and 61.6%, respectively, reflecting an $8.0 million decrease in the valuation allowance for deferred tax assets in the second quarter and a $3.3 million net decrease in the valuation allowance for deferred tax assets for the year-to-date period based on management's judgment regarding the realization of deferred tax assets as affected by the purchase of Panther in June 2012.

A reconciliation of the 2013 and 2012 rates to the statutory federal rates is shown in the table within this Note. Due to the retroactive reinstatement in January 2013 of the alternative fuel tax credit that had previously expired on December 31, 2011, the $0.9 million benefit of the 2012 credit and the $0.5 million benefit of the year-to-date credit as of June 30, 2013 were recognized in the first six months of 2013. In addition to the effect of the alternative fuel tax credit on the effective tax benefit rate in 2013, for both 2013 and 2012, the difference between the Company's effective tax rate and the federal statutory rate primarily results from state income taxes, nondeductible expenses, changes in the cash surrender value of life insurance and policy proceeds, and changes in valuation allowances for deferred tax assets.

As of June 30, 2013, the Company's deferred tax liabilities which will reverse in future years exceeded deferred tax assets. Due to the nonunion defined benefit pension plan curtailment, which was recorded in second quarter 2013 (see Note G), the related pension liability was reduced by $46.3 million and associated deferred tax assets were reduced by $18.0 million (reflected as a net increase in long-term deferred tax liabilities in the accompanying consolidated balance sheet as of June 30, 2013).

Net decreases in valuation allowances of $0.3 million were recorded in the first six months of 2013. The decreases relate primarily to valuation allowances for deferred tax assets for state net operating loss and depreciation carryovers of ABF.

During the six months ended June 30, 2013, the Company received refunds of $2.2 million of federal and state taxes that were paid in prior years, primarily from loss carrybacks, and the Company paid state and foreign income taxes of $0.9 million.

Reconciliation between the effective income tax rate, as computed on income (loss) before income taxes, and the statutory federal income tax rate for the six months ended June 30, 2013 and 2012 is presented in the following table:

	Three Months Ended June 30				Six Months Ended June 30			
	2013		**2012**		**2013**		**2012**	
	(in thousands)							
Income tax expense (benefit) at the statutory federal rate	**$ 2,753**	**35.0%**	$ 2,129	35.0%	**$ (5,403)**	**(35.0)%**	$ (5,758)	(35.0)%
Federal income tax effects of:								
Net reversal in valuation allowances	**(528)**	**(6.7)**	(7,973)	(131.0)	**(216)**	**(1.4)**	(3,333)	(20.3)
Alternative fuel tax credit	**(241)**	**(3.0)**	–	–	**(1,421)**	**(9.2)**	–	–
Effect of permanent differences and other	**703**	**8.9**	(635)	(10.4)	**721**	**4.7**	(871)	(5.3)
State income taxes	**300**	**3.8**	722	11.8	**(602)**	**(3.9)**	(169)	(1.0)
Total income tax expense (benefit)	**$ 2,987**	**38.0%**	$ (5,757)	(94.6)%	**$ (6,921)**	**(44.8)%**	$ (10,131)	(61.6)%

NOTE F – LONG-TERM DEBT AND FINANCING ARRANGEMENTS

Long-Term Debt Obligations

Long-term debt consisted of a Term Loan under the Credit Agreement further described in Financing Arrangements within this Note and notes payable and capital lease obligations related to the financing of revenue equipment (tractors and trailers used primarily in ABF's operations), real estate, and certain other equipment as follows:

	June 30 2013	December 31 2012
	(in thousands)	
Term Loan (interest rate of 1.7% at June 30, 2013)	**$ 90,000**	$ 95,000
Notes payable (weighted average interest rate of 3.0% at June 30, 2013)	**30,142**	37,756
Capital lease obligations (weighted average interest rate of 4.4% at June 30, 2013)	**13,834**	23,229
	133,976	155,985
Less current portion	**37,030**	43,044
Long-term debt, less current portion	**$ 96,946**	$ 112,941

Scheduled maturities of long-term debt obligations as of June 30, 2013 were as follows:

	Total	Term Loan(1)	Notes Payable	Capital Lease Obligations(2)
		(in thousands)		
Due in one year or less	$ 39,651	$ 14,026	$ 16,728	$ 8,897
Due after one year through two years	31,727	16,489	12,741	2,497
Due after two years through three years	23,102	19,083	1,586	2,433
Due after three years through four years	46,605	46,389	–	216
Due after four years through five years	222	–	–	222
Due after five years	365	–	–	365
Total payments	141,672	95,987	31,055	14,630
Less amounts representing interest	7,696	5,987	913	796
Long-term debt	$ 133,976	$ 90,000	$ 30,142	$ 13,834

(1) The future interest payments included in the scheduled maturities due under the Term Loan are calculated using variable interest rates based on the LIBOR swap curve, plus the anticipated applicable margin (see Term Loan within the Financing Arrangements section of this Note).
(2) Minimum payments of capital lease obligations include maximum amounts due under rental adjustment clauses contained in the capital lease agreements.

Assets securitized by notes payable or held under capital leases were included in property, plant and equipment as follows:

	June 30 2013	December 31 2012
	(in thousands)	
Land and structures (terminals)	**$ 1,794**	$ 1,794
Revenue equipment	**73,590**	93,004
Service, office, and other equipment	**1,503**	1,813
	76,887	96,611
Less accumulated amortization(1)	**30,519**	35,183
Net assets securitized by notes payable or held under capital leases	**$ 46,368**	$ 61,428

(1) Amortization of assets under capital leases and notes payable is included in depreciation expense.

Financing Arrangements

Term Loan

The Company has a credit agreement (the "Credit Agreement") with a syndicate of financial institutions. Pursuant to the Credit Agreement, a five-year, $100.0 million secured term loan (the "Term Loan") was provided to finance a portion of the cost of the acquisition of Panther (see Note C). The Credit Agreement also provides the Company with the right to request revolving commitments thereunder up to an aggregate amount of $75.0 million, subject to the satisfaction of certain additional conditions provided in the agreement. There have been no borrowings under the revolving commitments. The Term Loan is secured by a lien on certain of the Company's assets and pledges of the equity interests in certain subsidiaries (with these assets and subsidiaries defined in the Credit Agreement). The Term Loan requires quarterly principal payments and monthly interest payments, with remaining amounts outstanding due upon the maturity date of June 15, 2017. Borrowings under the Term Loan can be repaid in whole or in part at any time, without penalty, subject to required notice periods and compliance with minimum prepayment amounts. The Term Loan allows for the election of the interest rate at a base rate or LIBOR plus a margin based on the adjusted leverage ratio, as defined, which is measured at the end of each fiscal quarter. The Credit Agreement contains conditions, representations and warranties, events of default, and indemnification provisions that are customary for financings of this type including, but not limited to, a minimum fixed charge coverage ratio, a maximum adjusted leverage ratio, and limitations on incurrence of debt, investments, liens on assets, transactions with affiliates, mergers, consolidations, and purchases and sales of assets. As of June 30, 2013, the Company was in compliance with the covenants. For the reporting period ended June 30, 2013, the Company's fixed charge coverage ratio was 1.6 to 1.0, compared to the minimum ratio required by the Credit Agreement of 1.25 to 1.0.

Accounts Receivable Securitization Program

The Company has an accounts receivable securitization program with PNC Bank which provides for cash proceeds of an amount up to $75.0 million. Under this facility, which matures on June 15, 2015, certain subsidiaries of the Company continuously sell a designated pool of trade accounts receivables to a wholly owned subsidiary which, in turn, may borrow funds on a revolving basis. This wholly owned consolidated subsidiary is a separate bankruptcy-remote entity, and its assets would be available only to satisfy the claims related to the lender's interest in the trade accounts receivables. Advances under the facility bear interest based upon LIBOR, plus a margin, and an annual facility fee. The securitization agreement contains representations and warranties, affirmative and negative covenants, and events of default that are customary for financings of this type, including a maximum adjusted leverage ratio covenant. As of June 30, 2013, the Company was in compliance with the covenants. There have been no borrowings under this facility.

The accounts receivable securitization program includes a provision under which the Company may request and the letter of credit issuer may issue standby letters of credit, primarily in support of workers' compensation and third-party casualty claims liabilities in various states in which the Company is self-insured. The outstanding standby letters of credit reduce the availability of borrowings under the facility. As of June 30, 2013, standby letters of credit of $19.8 million have been issued under the facility, which reduced the available borrowing capacity to $55.2 million.

As previously discussed in Note A, implementation of the 2013 ABF NMFA, the collective bargaining agreement for the contract period ending March 31, 2018, is pending ratification of the remaining supplemental agreements which were not approved by ABF's IBT member employees on June 27, 2013. Until the collective bargaining agreement for the contract period subsequent to March 31, 2013 is in place, the accounts receivable securitization program requires the Company to maintain $50.0 million of available liquidity, which may consist of unrestricted cash, cash equivalents, and short-term investments on hand, available borrowing capacity under the accounts receivable securitization facility, or any other revolving liquidity facility of the Company. The Company has maintained compliance with this provision, and had $173.7 million of available liquidity, as defined, as of June 30, 2013.

Letter of Credit Agreements

The Company has agreements with certain financial institutions to provide collateralized facilities for the issuance of letters of credit ("LC Agreements"). These financial institutions issue letters of credit on behalf of the Company primarily in support of the self-insurance program previously discussed within this Note. The Company pays quarterly fees to the financial institutions based on the amount of letters of credit outstanding. The LC Agreements contain no financial ratios or financial covenants which the Company is required to maintain. The LC Agreements require cash or short-term investments to be pledged as collateral for outstanding letters of credit. As of June 30, 2013, the Company had letters of credit outstanding of $22.3 million (including $19.8 million which were issued under the accounts receivable securitization facility previously described within this Note), of which $1.9 million were collateralized by restricted cash under the LC Agreements. The Company had up to $73.1 million available as of June 30, 2013 for issuance of letters of credit, subject to the Company's compliance with the requirements of issuance.

The Company has programs in place with multiple surety companies for the issuance of partially secured or unsecured surety bonds in support of the self-insurance program previously discussed within this Note. As of June 30, 2013, surety bonds outstanding related to the collateralized self-insurance program totaled $13.3 million, which were collateralized by letters of credit of $3.8 million issued under the previously described accounts receivable securitization facility. Under separate uncollateralized bond programs, surety bonds outstanding related to the Company's self-insurance program totaled $45.2 million as of June 30, 2013.

NOTE G – PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Nonunion Defined Benefit Pension, Supplemental Benefit Pension, and Postretirement Health Benefit Plans

The following is a summary of the components of net periodic benefit cost:

	Three Months Ended June 30					
	Nonunion Defined Benefit Pension Plan		Supplemental Benefit Pension Plan		Postretirement Health Benefit Plan	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	(in thousands)					
Service cost	**$ 2,367**	$ 2,297	**$ –**	$ –	**$ 83**	$ 78
Interest cost	**1,922**	2,173	**38**	53	**187**	188
Expected return on plan assets	**(3,155)**	(3,016)	**–**	–	**–**	–
Amortization of prior service credit	**–**	–	**–**	–	**(47)**	(47)
Amortization of net actuarial loss and other	**2,714**	2,692	**65**	50	**133**	104
Net periodic benefit cost	**$ 3,848**	$ 4,146	**$ 103**	$ 103	**$ 356**	$ 323

	Six Months Ended June 30					
	Nonunion Defined Benefit Pension Plan		Supplemental Benefit Pension Plan		Postretirement Health Benefit Plan	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	(in thousands)					
Service cost	**$ 4,734**	$ 4,594	**$ –**	$ –	**$ 166**	$ 157
Interest cost	**3,845**	4,346	**75**	105	**375**	375
Expected return on plan assets	**(6,309)**	(6,032)	**–**	–	**–**	–
Amortization of prior service credit	**–**	–	**–**	–	**(95)**	(95)
Amortization of net actuarial loss and other	**5,427**	5,384	**130**	101	**267**	208
Net periodic benefit cost	**$ 7,697**	$ 8,292	**$ 205**	$ 206	**$ 713**	$ 645

Nonunion Defined Benefit Pension Plan

The Company's nonunion defined benefit pension plan covers substantially all noncontractual employees hired before January 1, 2006. In June 2013, the Company amended the nonunion defined benefit pension plan to freeze the participants' final average compensation and years of credited service as of July 1, 2013. The plan amendment did not impact the vested benefits of retirees or former employees whose benefits have not yet been paid from the plan. Effective July 1, 2013, participants of the nonunion defined benefit pension plan who are active employees of the Company became eligible for the discretionary defined contribution feature of the Company's nonunion defined contribution plan in which all eligible noncontractual employees hired subsequent to December 31, 2005 also participate.

The plan amendment resulted in a plan curtailment which was recorded as of June 30, 2013. The effect of the plan curtailment was a reduction of the projected benefit obligation ("PBO") to the amount of the plan's accumulated benefit obligation. The decrease in the PBO reduced the unrecognized net actuarial loss of the plan, which is reported on an after-tax basis in accumulated other comprehensive loss in the consolidated balance sheet, with no curtailment gain or loss recognized in current earnings. The net unrecognized actuarial loss of the plan was also reduced by the net actuarial gain which resulted from the remeasurement of the assets and PBO of the plan upon curtailment. The remaining pre-tax unrecognized net actuarial loss of $30.6 million will continue to be amortized over the average remaining future years of service of the plan participants, which is approximately 8 years.

The curtailment of the plan had no impact on net periodic benefit cost for the three- and six-month periods ended June 30, 2013. Effective July 1, 2013, service cost will be eliminated. The Company may incur pension settlement expense for periods subsequent to June 30, 2013 if annual lump sum distributions exceed annual service and interest cost of the plan.

The following table discloses the changes in the PBO and plan assets of the nonunion defined benefit pension plan for the six months ended June 30, 2013:

	Nonunion Defined Benefit Pension Plan
	(in thousands)
Change in projected benefit obligation	
Projected benefit obligation at December 31, 2012	$ 260,950
Service cost	4,734
Interest cost	3,845
Actuarial gain and other[(1)]	(10,747)
Benefits paid	(10,745)
Curtailment	(29,262)
Projected benefit obligation at June 30, 2013	218,775
Change in plan assets	
Fair value of plan assets at December 31, 2012	181,225
Actual return on plan assets	12,575
Employer contributions	9,000
Benefits paid	(10,745)
Fair value of plan assets at June 30, 2013	192,055
Funded status at June 30, 2013[(2)]	$ (26,720)
Accumulated benefit obligation	$ 218,775

(1) Net actuarial gain from remeasurement upon curtailment was impacted by an actual return on plan assets during the first six months of 2013 that exceeded the assumed annualized return rate of 7.5% combined with an increase in discount rates since the last measurement date. The discount rate used to remeasure the PBO was 3.9% compared to a rate of 3.1% as of the December 31, 2012 measurement date.

(2) Noncurrent liability recognized within pension and postretirement liabilities in the accompanying consolidated balance sheet at June 30, 2013.

During the six months ended June 30, 2013 the Company contributed $9.0 million to the nonunion defined benefit pension plan and elected to apply the contributions to the 2012 plan year under the applicable funding rules of the Internal Revenue Code (the "IRC"). The plan had a preliminary adjusted funding target attainment percentage ("AFTAP") of 92% as of the January 1, 2013 valuation date. The AFTAP is determined by measurements prescribed by the IRC, which differ from the funding measurements for financial statement reporting purposes. While the final AFTAP calculation will not be available until September 2013, the Company believes that the AFTAP has improved as a result of the 2013 contributions applied to the 2012 plan year. After consideration of the contributions made in 2013 and the effect of the plan curtailment on required funding levels, the Company's required minimum contribution to its nonunion defined benefit pension plan for the 2013 plan year has been satisfied based upon currently available actuarial information.

Multiemployer Plans

Under the provisions of the Taft-Hartley Act, retirement and health care benefits for ABF's contractual employees are provided by a number of multiemployer plans. ABF contributes to multiemployer pension and postretirement benefit plans monthly based generally on the time worked by its contractual employees, in accordance with its collective bargaining agreement with the IBT and other related supplemental agreements. ABF recognizes as expense the contractually required contribution for the period and recognizes as a liability any contributions due and unpaid. The Company intends to meet its obligations to the multiemployer plans under its collective bargaining agreement with the IBT, which is currently under extension.

ABF contributes to 25 multiemployer pension plans, which vary in size and in funded status. In the event of the termination of certain multiemployer pension plans or if ABF were to withdraw from certain multiemployer pension plans, under current law, the Company would have material liabilities for its share of the unfunded vested liabilities of each such plan. Multiemployer plans that enter reorganization status subject contributing employers to an increased contribution requirement but will generally not require a contribution increase of more than 7% over the level required in the preceding year. ABF has not received notification of any plan reorganization or plan termination, and ABF does not currently intend to withdraw from these plans. Therefore, the Company believes the occurrence of events that would require recognition of liabilities for its share of unfunded vested benefits is remote.

Approximately one half of ABF's total contributions to multiemployer pension plans are made to the Central States, Southeast and Southwest Areas Pension Plan (the "Central States Pension Plan"). As disclosed in the Annual Funding Notice for the 2012 plan year, the actuarial funded percentage of the Central States Pension Plan was 53.9% as of January 1, 2012. ABF received a Notice of Critical Status for the Central States Pension Plan which reported that on March 29, 2013, the plan's actuary certified that the plan remained in critical status, as defined by the Pension Protection Act of 2006, for the plan year beginning January 1, 2013.

The multiemployer plan administrators have provided to the Company no other significant changes in information related to multiemployer plans from the information disclosed in the Company's 2012 Annual Report on Form 10-K.

NOTE H – STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Loss

	June 30 2013	**December 31 2012**
	(in thousands)	
Pre-tax amounts:		
Unrecognized net periodic benefit costs	**$ (34,733)**	$ (86,737)
Foreign currency translation	**(884)**	(662)
	$ (35,617)	$ (87,399)
After-tax amounts:		
Unrecognized net periodic benefit costs	**$ (25,194)**	$ (56,968)
Foreign currency translation	**(539)**	(404)
	$ (25,733)	$ (57,372)

The following is a summary of the changes in accumulated other comprehensive loss, net of tax, by component for the six months ended June 30, 2013:

	Total	**Unrecognized Net Periodic Benefit Costs**	**Foreign Currency Translation**
		(in thousands)	
Balance at December 31, 2012	$ (57,372)	$ (56,968)	$ (404)
Other comprehensive income (loss) before reclassifications	28,139	28,274	(135)
Amounts reclassified from accumulated other comprehensive loss	3,500	3,500	–
Net current-period other comprehensive income (loss)	31,639	31,774	(135)
Balance at June 30, 2013	$ (25,733)	$ (25,194)	$ (539)

The following is a summary of the significant reclassifications out of accumulated other comprehensive loss by component for the six months ended June 30, 2013:

		Amortization of Unrecognized Net Periodic Benefit Costs[1]
		(in thousands)
Net actuarial loss[2]	$	(5,824)
Prior service credit[2]		95
Total, pre-tax		(5,729)
Tax benefit		2,229
Total, net of tax	$	(3,500)

(1) Amounts in parentheses indicate increases in expense or loss.
(2) These components of accumulated other comprehensive loss are included in the computation of net periodic benefit cost (see Note G).

Dividends on Common Stock

On July 25, 2013, the Company's Board of Directors declared a dividend of $0.03 per share payable to stockholders of record as of August 8, 2013.

The following table is a summary of dividends declared during the applicable quarter:

	2013				**2012**			
	Per Share		**Amount**		**Per Share**		**Amount**	
	(in thousands, except per share data)							
First quarter	**$**	**0.03**	**$**	**807**	$	0.03	$	797
Second quarter	**$**	**0.03**	**$**	**806**	$	0.03	$	808
Third quarter (2013 amount estimated)	**$**	**0.03**	**$**	**806**	$	0.03	$	807

NOTE I – SHARE-BASED COMPENSATION

Restricted Stock Awards

A summary of the Company's restricted stock award program is presented below:

	Units
Outstanding – January 1, 2013	1,281,480
Granted	–
Vested	(132,020)
Forfeited	(1,950)
Outstanding – June 30, 2013	1,147,510

Stock Options

A summary of the Company's stock option program is presented below:

	Shares Under Option[(1)]	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (*Years*)	Intrinsic Value[(2)] *(in thousands)*
Outstanding – January 1, 2013	240,425	$ 27.40		
Granted	–			
Exercised	–			
Forfeited	(98,000)	24.94		
Outstanding – June 30, 2013	142,425	$ 29.10	0.6	–

(1) Options outstanding at June 30, 2013 are vested and available to be exercised.
(2) The intrinsic value for each option represents the excess, if any, of the market value of the Company's Common Stock on June 30, 2013 over the exercise price of the option.

As of June 30, 2013, the Company had not elected to treat any exercised options as employer Stock Appreciation Rights ("SARs") and no employee SARs had been granted. No stock options have been granted since 2004.

NOTE J – EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(in thousands, except share and per share data)			
Basic				
Numerator:				
Net income (loss)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
Effect of unvested restricted stock awards	**(215)**	(549)	**(74)**	(75)
Adjusted net income (loss)	**$ 4,663**	$ 11,292	**$ (8,591)**	$ (6,396)
Denominator:				
Weighted-average shares	**25,694,327**	25,544,455	**25,666,484**	25,496,871
Earnings (loss) per common share	**$ 0.18**	$ 0.44	**$ (0.33)**	$ (0.25)
Diluted				
Numerator:				
Net income (loss)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
Effect of unvested restricted stock awards	**(215)**	(549)	**(74)**	(75)
Adjusted net income (loss)	**$ 4,663**	$ 11,292	**$ (8,591)**	$ (6,396)
Denominator:				
Weighted-average shares	**25,694,327**	25,544,455	**25,666,484**	25,496,871
Effect of dilutive securities	–	–	–	–
Adjusted weighted-average shares and assumed conversions	**25,694,327**	25,544,455	**25,666,484**	25,496,871
Earnings (loss) per common share	**$ 0.18**	$ 0.44	**$ (0.33)**	$ (0.25)

Under the two-class method of calculating earnings per share, dividends paid and a portion of undistributed net income, but not losses, are allocated to unvested restricted stock and restricted stock units, which are considered participating securities. For the three months ended June 30, 2013 and 2012 outstanding stock awards of 0.7 million and 0.9 million, respectively, were not included in the diluted earnings per share calculation because their inclusion would have the effect of increasing the earnings per share. For the six months ended June 30, 2013 and 2012, outstanding stock awards of 0.7 million and 0.8 million, respectively, were not included in the diluted loss per share calculation because their inclusion would have the effect of decreasing the loss per share.

NOTE K – OPERATING SEGMENT DATA

The Company uses the "management approach" to determine its reportable operating segments, as well as to determine the basis of reporting the operating segment information. The management approach focuses on financial information that the Company's management uses to make operating decisions. Management uses operating revenues, operating expense categories, operating ratios, operating income, and key operating statistics to evaluate performance and allocate resources to the Company's operations.

Certain reclassifications have been made to the prior year's operating segment data to conform to the current year presentation. Financial information of Global Supply Chain Services and Supply Chain Services, businesses which provide ocean container transport and warehousing services, respectively, have been reclassified from the Freight Transportation segment to "Other and eliminations." There was no impact on consolidated amounts as a result of these reclassifications. Effective July 1, 2013, the Company formed a new operating segment, ABF Logistics, consisting of Global Supply Chain Services, Supply Chain Services, and the Company's transportation brokerage services subsidiary, FreightValue, Inc.®, which was reported as the Truck Brokerage and Management segment as of June 30, 2013.

The Company's reportable operating segments are impacted by seasonal fluctuations, as described below, and therefore, operating results for the interim periods presented may not necessarily be indicative of the results for the fiscal year.

The Company's reportable operating segments are as follows:

- Freight Transportation, the Company's principal operating segment, includes the results of operations of ABF Freight System, Inc. and certain other subsidiaries of the Company (collectively "ABF"). ABF Freight System, Inc.'s self-move service operations provided by U-Pack Moving® are also reported in the Freight Transportation segment.

  ABF is impacted by seasonal fluctuations which affect tonnage and shipment levels and, consequently, revenues and operating results. The second and third calendar quarters of each year usually have the highest tonnage levels while the first quarter generally has the lowest, although other factors, including the state of the U.S. and global economies, may influence quarterly tonnage levels.

- Premium Logistics and Expedited Freight Services includes the results of operations of Panther, which the Company acquired on June 15, 2012 (see Note C). The segment provides expedited freight transportation services to commercial and government customers and offers premium logistics services that involve the rapid deployment of highly specialized equipment to meet extremely specific linehaul requirements, such as temperature control, hazardous materials, geofencing (routing a shipment across a mandatory, defined route with satellite monitoring and automated alerts concerning any deviation from the route), specialized government cargo, security services, and life sciences. Through its premium logistics and global freight forwarding businesses, Panther offers domestic and international freight transportation with air, ocean, and ground service offerings. The segment provides services to the Freight Transportation and Truck Brokerage and Management segments. Revenue and expense associated with these intersegment transactions are eliminated in consolidation.

  Operations of the Premium Logistics and Expedited Freight Services segment are influenced by seasonal fluctuations that impact customers' supply chains and the resulting demand for expedited services. Expedited shipments may decline during winter months because of post-holiday slowdowns but can be subject to short-term increases depending on the impact of weather disruptions to customers' supply chains. Plant shutdowns during summer months may affect shipments for automotive and manufacturing customers, but hurricanes and other weather events can result in higher demand for expedited services.

- Truck Brokerage and Management includes the results of operations of the Company's transportation brokerage services subsidiary, FreightValue, Inc.

  The truck brokerage industry is impacted by seasonal fluctuations which affect tonnage and shipment levels and, consequently, revenues and operating results. The second and third calendar quarters of each year usually have the highest tonnage levels while the first quarter generally has the lowest, although other factors, including the state of the U.S. and global economies, may influence quarterly tonnage levels. However, seasonal fluctuations are less apparent in the operating results of Truck Brokerage and Management than in the industry as a whole because of business growth in the segment.

- Emergency and Preventative Maintenance includes the results of operations of FleetNet America, Inc., the subsidiary of the Company that provides roadside assistance and equipment services for commercial vehicles through a network of third-party service providers.

Emergency roadside services are impacted by weather conditions that affect commercial vehicle operations, and results of operations will be influenced by seasonal variations in business levels.

- Household Goods Moving Services includes the results of operations of Albert Companies, Inc. and Moving Solutions, Inc., the Company's subsidiaries that provide transportation, warehousing, and delivery services to the consumer, corporate, and military household goods moving markets. For the three and six months ended June 30, 2013, the Household Goods Moving Services segment includes the results of the logistics company acquired by Albert Companies, Inc. on May 31, 2013 (see Note C). Certain costs incurred by Household Goods Moving Services in support of ABF Freight System, Inc.'s self-move services are allocated to Freight Transportation at cost. Revenue and expense associated with these intersegment allocations are eliminated in consolidation.

  Operations of the Household Goods Moving Services segments are impacted by seasonal fluctuations, resulting in higher business levels in the second and third calendar quarters of the year as the demand for moving services is typically higher in the summer months.

The Company's other business activities and operating segments that are not reportable include Arkansas Best Corporation, the parent holding company, and other subsidiaries. A substantial portion of the costs incurred by the parent holding company are allocated to the reporting segments. The Company eliminates intercompany transactions in consolidation. However, the information used by the Company's management with respect to its reportable segments is before intersegment eliminations of revenues and expenses.

Further classifications of operations or revenues by geographic location are impracticable and, therefore, are not provided. The Company's foreign operations are not significant.

The following table reflects reportable operating segment information for the three and six months ended June 30:

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(in thousands)			
OPERATING REVENUES				
Freight Transportation	**$ 446,750**	$ 440,351	**$ 854,031**	$ 836,864
Premium Logistics and Expedited Freight Services	**60,431**	10,835	**113,683**	10,835
Truck Brokerage and Management	**16,335**	10,021	**30,939**	18,060
Emergency and Preventative Maintenance	**32,935**	30,101	**65,457**	52,479
Household Goods Moving Services	**21,252**	20,479	**34,828**	35,531
Other and eliminations	**(804)**	(1,244)	**(1,352)**	(2,359)
Total consolidated operating revenues	**$ 576,899**	$ 510,543	**$ 1,097,586**	$ 951,410
OPERATING EXPENSES AND COSTS				
Freight Transportation				
Salaries, wages, and benefits	**$ 272,641**	$ 268,995	**$ 539,819**	$ 534,057
Fuel, supplies, and expenses	**82,441**	82,696	**165,773**	163,336
Operating taxes and licenses	**10,939**	10,823	**21,929**	21,624
Insurance	**6,068**	5,585	**10,552**	10,466
Communications and utilities	**3,879**	3,459	**7,812**	7,258
Depreciation and amortization	**18,967**	19,464	**38,541**	38,037
Rents and purchased transportation	**44,260**	39,681	**82,729**	72,897
Gain on sale of property and equipment	**(182)**	(231)	**(394)**	(513)
Other	**2,240**	2,258	**4,322**	3,940
Total Freight Transportation	**441,253**	432,730	**871,083**	851,102
Premium Logistics and Expedited Freight Services				
Purchased transportation	**46,233**	8,247	**87,270**	8,247
Depreciation and amortization	**2,594**	473	**5,144**	473
Other	**10,098**	1,635	**20,627**	1,635
Total Premium Logistics and Expedited Freight Services	**58,925**	10,355	**113,041**	10,355
Truck Brokerage and Management	**15,643**	9,366	**29,480**	17,011
Emergency and Preventative Maintenance	**32,125**	29,407	**63,935**	51,921
Household Goods Moving Services	**20,304**	20,314	**34,111**	36,157
Other and eliminations	**232**	1,170	**870**	650
Total consolidated operating expenses and costs	**$ 568,482**	$ 503,342	**$ 1,112,520**	$ 967,196
OPERATING INCOME (LOSS)				
Freight Transportation	**$ 5,497**	$ 7,621	**$ (17,052)**	$ (14,238)
Premium Logistics and Expedited Freight Services	**1,506**	480	**642**	480
Truck Brokerage and Management	**692**	655	**1,459**	1,049
Emergency and Preventative Maintenance	**810**	694	**1,522**	558
Household Goods Moving Services	**948**	165	**717**	(626)
Other and eliminations	**(1,036)**	(2,414)	**(2,222)**	(3,009)
Total consolidated operating income (loss)	**$ 8,417**	$ 7,201	**$ (14,934)**	$ (15,786)
OTHER INCOME (EXPENSE)				
Interest and dividend income	**$ 161**	$ 215	**$ 332**	$ 469
Interest expense and other related financing costs	**(1,079)**	(1,112)	**(2,286)**	(2,255)
Other, net(1)	**366**	(220)	**1,450**	1,120
	(552)	(1,117)	**(504)**	(666)
INCOME (LOSS) BEFORE INCOME TAXES	**$ 7,865**	$ 6,084	**$ (15,438)**	$ (16,452)

(1) Other, net includes changes in cash surrender value and proceeds of life insurance policies.

NOTE L – LEGAL PROCEEDINGS, ENVIRONMENTAL MATTERS, AND OTHER EVENTS

The Company is involved in various legal actions arising in the ordinary course of business. The Company maintains liability insurance against certain risks arising out of the normal course of its business, subject to certain self-insured retention limits. The Company routinely establishes and reviews the adequacy of reserves for estimated legal, environmental, and self-insurance exposures. While management believes that amounts accrued in the consolidated financial statements are adequate, estimates of these liabilities may change as circumstances develop. Considering amounts recorded, routine legal matters are not expected to have a material adverse effect on the Company's financial condition, results of operations, or cash flows; however, the Company is currently involved in certain legal proceedings, as further described below, for which the outcome and the related financial impact cannot be determined at this time.

Legal Proceedings

National Master Freight Agreement
On November 1, 2010, ABF Freight System, Inc. filed a grievance with the National Grievance Committee, consisting of union and employer representatives established by the NMFA for resolving national contract disputes, against the following parties: the IBT; the Teamsters National Freight Industry Negotiating Committee; Trucking Management, Inc. ("TMI"); every Teamster Local Union that is party to the NMFA; and YRC Inc., New Penn Motor Express, Inc., and USF Holland, Inc. (collectively "YRC"). A lawsuit was simultaneously filed in the United States District Court for the Western Division of Arkansas (the "Trial Court") against the parties previously named and Teamster Local Unions 373 and 878 individually and as representatives of a class of Teamsters Local Unions that are parties to the NMFA. The lawsuit seeks appointment of a third-party neutral tribunal to rule on the grievance in place of the National Grievance Committee or, alternatively, for the Trial Court to rule on the lawsuit.

The grievance and lawsuit assert that ABF Freight System, Inc. is an equal signatory to the NMFA which, as a national collective bargaining agreement, is designed to establish a single national standard for wages and other employment terms for all employers who are parties to the agreement. However, ABF Freight System, Inc. has not been granted the same wage and benefit concessions under the NMFA as YRC since 2009. The grievance filed by ABF Freight System, Inc. is a claim that the IBT and the other named parties have violated the NMFA. The grievance and lawsuit seek to declare the amendments made to the NMFA on YRC's behalf null and void. The grievance and lawsuit also seek payment for damages associated with the amendments on YRC's behalf.

On December 20, 2010, the Trial Court granted motions filed by the IBT, the Teamsters National Freight Industry Negotiating Committee, Teamsters Local Unions 373 and 878, and, separately, by YRC to dismiss the lawsuit for lack of subject matter jurisdiction. On January 18, 2011, ABF Freight System, Inc. filed an appeal in the United States Court of Appeals for the Eighth Circuit (St. Louis) (the "Court of Appeals"). On April 12, 2011, the Court of Appeals held a hearing regarding the dismissal of the lawsuit and oral arguments were presented on behalf of ABF Freight System, Inc. On July 6, 2011, the Court of Appeals reversed the Trial Court's decision and remanded the case to the Trial Court for further proceedings. On October 12, 2011, ABF Freight System, Inc. filed an amended complaint. On November 11, 2011, the IBT, TMI, and YRC filed motions to dismiss this amended complaint and on December 9, 2011, ABF Freight System, Inc. filed a response to the defendants' motions to dismiss. On January 16, 2012, the IBT, TMI, and YRC filed reply briefs to the response filed by ABF Freight System, Inc. On January 23, 2012, the IBT filed a request for oral arguments, which was supported by the other parties to the lawsuit. On August 1, 2012, the Trial Court entered an order dismissing the lawsuit without prejudice. ABF Freight System, Inc. appealed the dismissal to the Court of Appeals on August 30, 2012, and oral arguments were heard by the Court of Appeals on April 10, 2013.

Environmental Matters

The Company's subsidiaries store fuel for use in tractors and trucks in 67 underground tanks located in 22 states. Maintenance of such tanks is regulated at the federal and, in most cases, state levels. The Company believes it is in substantial compliance with all such regulations. The Company's underground storage tanks are required to have leak detection systems. The Company is not aware of any leaks from such tanks that could reasonably be expected to have a material adverse effect on the Company.

The Company has received notices from the Environmental Protection Agency and others that it has been identified as a potentially responsible party under the Comprehensive Environmental Response Compensation and Liability Act, or other federal or state environmental statutes, at several hazardous waste sites. After investigating the Company's or its subsidiaries' involvement in waste disposal or waste generation at such sites, the Company has either agreed to de minimis settlements or determined that its obligations, other than those specifically accrued with respect to such sites, would involve immaterial monetary liability, although there can be no assurances in this regard.

At June 30, 2013 and December 31, 2012, the Company's reserve, which was reported in accrued expenses, for estimated environmental cleanup costs of properties currently or previously operated by the Company totaled $0.9 million. Amounts accrued reflect management's best estimate of the future undiscounted exposure related to identified properties based on current environmental regulations, management's experience with similar environmental matters, and testing performed at certain sites.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Arkansas Best Corporation (the "Company") is a freight transportation services and integrated logistics solutions provider with five reportable operating segments. The Company's principal operations are conducted through its Freight Transportation segment, which consists of ABF Freight System, Inc. and certain other subsidiaries of the Company (collectively "ABF"). The Company's other reportable operating segments are the following non-asset-based businesses: Premium Logistics and Expedited Freight Services, Truck Brokerage and Management, Emergency and Preventative Maintenance, and Household Goods Moving Services. The Company's non-asset-based segments represent emerging lines of business which provide a complementary set of transportation, logistics, and related solutions to the Freight Transportation segment. (See additional segment description in Note K to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain reclassifications have been made to the prior year's operating segment data and statistics to conform to the current year presentation. Financial and operating information of Global Supply Chain Services and Supply Chain Services, businesses which provide ocean container transport and warehousing services, respectively, have been reclassified from the Freight Transportation segment to "Other and eliminations." There was no impact on consolidated amounts as a result of these reclassifications. Effective July 1, 2013, the Company formed a new operating segment, ABF Logistics, consisting of Global Supply Chain Services, Supply Chain Services, and the Company's transportation brokerage services subsidiary, FreightValue, Inc., which was reported as the Truck Brokerage and Management segment as of June 30, 2013. This strategic realignment of the Company's sales and logistics functions better supports the delivery of these transportation solutions and allows customers to gain greater awareness for these service offerings in an evolving marketplace.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") describes the principal factors affecting results of operations, liquidity and capital resources, and critical accounting policies of the Company. This discussion should be read in conjunction with the accompanying quarterly unaudited consolidated financial statements and the Company's Annual Report on Form 10-K for the year ended December 31, 2012. The Company's 2012 Annual Report on Form 10-K includes additional information about significant accounting policies, practices, and the transactions that underlie the Company's financial results, as well as a detailed discussion of the most significant risks and uncertainties to which its financial and operating results are subject. One of those risk factors disclosed in the 2012 Form 10-K is as follows:

> **We depend on our employees to support our operating businesses and future growth opportunities. If we are unable to reach agreement on a new collective bargaining agreement [and related supplemental agreements] or our relationship with our employees deteriorates, we could be faced with labor disruptions or stoppages, which could have a material adverse effect on our business, reduce our operating results, and place us at a further disadvantage relative to our competitors.**
>
> ABF represented approximately 78% of the Company's total revenues before other revenues and intercompany eliminations for the six months ended June 30, 2013. As of June 2013, approximately 75% of ABF's employees were covered under a collective bargaining agreement, the National Master Freight Agreement (the "NMFA"), with the International Brotherhood of Teamsters (the "IBT"). Prior to the March 31, 2013 expiration of the NMFA, ABF and the IBT agreed to an extension of the collective bargaining agreement under the same terms and conditions of the existing contract. Subsequent and similar extensions were agreed to, the most recent of which is effective through August 31, 2013.
>
> On June 27, 2013, a new collective bargaining agreement, the ABF National Master Freight Agreement (the "2013 ABF NMFA"), was ratified by a majority of ABF's IBT member employees who chose to vote. A majority of the supplements to the 2013 ABF NMFA were also approved. ABF is currently seeking approval of the remaining supplemental agreements. Upon ratification of the remaining supplemental agreements, the 2013 ABF NMFA

would be implemented and remain in effect through March 31, 2018. The primary changes to the labor agreement under the 2013 ABF NMFA include an immediate 7% wage rate reduction from the implementation date through March 31, 2014 followed by wage rate increases of 2% in the next three years and a 2.5% increase in the fifth year of the contract; a one-week reduction in annual compensated vacation effective for anniversary dates on or after April 1, 2013; the option to expand the use of purchased transportation; and increased flexibility in labor work rules. The 2013 ABF NMFA and the related supplemental agreements provide for continued contributions to health, welfare, and pension plans for which the rates would be applied retroactively back to August 1, 2013 and are estimated to increase an average of approximately 3.5% to 4.5% annually over the life of the agreement. Not all of the contract changes would be implemented immediately upon ratification of the remaining supplements, and therefore expected net cost reductions would be realized over time.

In the event the remaining supplemental agreements are not ratified, a work stoppage, the loss of customers, or other events could occur that could have a material adverse effect on the Company's competitive position, results of operations, cash flows, and financial position in 2013 and subsequent years. In the event of a temporary work stoppage, the Company plans to meet its liquidity needs primarily through existing liquidity, cash flows from its non-asset-based operations, available net working capital, funds from the sale or financing of other assets, reduction of spending levels, and elimination of dividends. The Company is also evaluating adjustments to the ABF network that would reduce operating costs on an ongoing basis as further discussed in the ABF Overview section of MD&A.

Results of Operations

Consolidated Results

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(in thousands)			
OPERATING REVENUES				
Freight Transportation	**$ 446,750**	$ 440,351	**$ 854,031**	$ 836,864
Premium Logistics and Expedited Freight Services	**60,431**	10,835	**113,683**	10,835
Truck Brokerage and Management	**16,335**	10,021	**30,939**	18,060
Emergency and Preventative Maintenance	**32,935**	30,101	**65,457**	52,479
Household Goods Moving Services	**21,252**	20,479	**34,828**	35,531
Other and eliminations	**(804)**	(1,244)	**(1,352)**	(2,359)
Total consolidated operating revenues	**$ 576,899**	$ 510,543	**$ 1,097,586**	$ 951,410
OPERATING INCOME (LOSS)				
Freight Transportation	**$ 5,497**	$ 7,621	**$ (17,052)**	$ (14,238)
Premium Logistics and Expedited Freight Services	**1,506**	480	**642**	480
Truck Brokerage and Management	**692**	655	**1,459**	1,049
Emergency and Preventative Maintenance	**810**	694	**1,522**	558
Household Goods Moving Services	**948**	165	**717**	(626)
Other and eliminations	**(1,036)**	(2,414)	**(2,222)**	(3,009)
Total consolidated operating income (loss)	**$ 8,417**	$ 7,201	**$ (14,934)**	$ (15,786)
NET INCOME (LOSS)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
DILUTED EARNINGS (LOSS) PER SHARE	**$ 0.18**	$ 0.44	**$ (0.33)**	$ (0.25)

Consolidated revenues for the three and six months ended June 30, 2013 increased 13.0% and 15.4%, respectively, compared to the same prior-year periods, primarily reflecting the revenues of Panther Expedited Services, Inc. which was acquired by the Company on June 15, 2012 and is reported as the Premium Logistics and Expedited Freight Services segment. Higher volume-driven revenues reported by the Truck Brokerage and Management segment and the Emergency and Preventative Maintenance segment also contributed to the consolidated revenue growth. Total non-asset-based segments generated approximately 22% of total revenues (before other revenues and intercompany eliminations) for the six months ended June 30, 2013. Freight Transportation revenues, which represented 78% of the Company's consolidated revenues (before other revenues and intercompany eliminations), were 1.5% and 2.1% higher for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012. On a per-day basis, Freight Transportation revenues were 0.7% and 2.9% higher for the three and six months ended June 30, 2013, respectively, compared to the same prior-year periods. The Freight Transportation revenue improvements primarily reflected the impact of an increase in tonnage per day for the three and six months ended June 30, 2013.

Total consolidated operating results for the three and six months ended June 30, 2013 were slightly improved compared to the same prior year periods. Consolidated net income and earnings per share included a tax benefit of $8.0 million for the three months ended June 30, 2012 and $3.3 million for the six months ended June 30, 2012 related to the reversal of previously established deferred tax asset valuation allowances (as further described in the Income Taxes section of MD&A) and transactions costs of $2.1 million (pre-tax) related to the Panther acquisition, the combined effect of which impacted the year-over-year consolidated net income comparison by approximately $0.26 per share for the three month period and $0.08 per share for the six month period. Excluding the effect of these items, the consolidated operating loss, net loss, and per share amounts for the six months ended June 30, 2013 and 2012 primarily reflect the operating results of the Freight Transportation segment which are discussed in further detail within the Freight Transportation Segment sections of Results of Operations.

In June 2013, the Company amended its nonunion defined benefit pension plan, which covers substantially all noncontractual employees hired before January 1, 2006, to freeze the participants' final average compensation and years of credited service as of July 1, 2013 (see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). The plan amendment resulted in a plan curtailment which reduced the pension liability and the pre-tax unrecognized net actuarial loss of the plan by $46.3 million as of June 30, 2013. The curtailment of the plan had no impact on net periodic benefit cost for the three- and six-month periods ended June 30, 2013. Effective July 1, 2013, service cost of the plan will be eliminated. The Company may incur pension settlement expense for periods subsequent to June 30, 2013 if annual lump sum distributions exceed annual service and interest cost of the plan. The anticipated net reduction in nonunion defined benefit pension expense is expected to be offset, in part, by discretionary contributions under the defined contribution feature of the Company's nonunion defined contribution plan for which the participants of the nonunion defined benefit pension plan who are active employees of the Company became eligible as of July 1, 2013.

Consolidated Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA")

Consolidated EBITDA increased for the three and six months ended June 30, 2013 versus the same prior-year period, primarily reflecting the cash flow from Panther's operations for the full periods presented for 2013 while the 2012 periods included Panther's results since the June 15, 2012 acquisition date. Improved operating results of the other non-asset-based segments also contributed to the consolidated EBITDA increases for the three and six months ended June 30, 2013.

	Three Months Ended June 30		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
	(in thousands)			
CONSOLIDATED EBITDA				
Net income (loss)	**$ 4,878**	$ 11,841	**$ (8,517)**	$ (6,321)
Interest expense	**1,079**	1,112	**2,286**	2,255
Income taxes (benefits)	**2,987**	(5,757)	**(6,921)**	(10,131)
Depreciation and amortization[(1)]	**22,807**	20,850	**46,001**	40,170
Amortization of share based compensation	**1,181**	1,900	**2,485**	3,342
Amortization of net actuarial losses of benefit plans	**2,912**	2,846	**5,824**	5,693
	$ 35,844	32,792	**$ 41,158**	35,008

(1) Includes amortization of intangibles of $1.1 million and $2.1 million for the three and six months ended June 30, 2013 (see Note D to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

EBITDA is a primary component of the financial covenants to the Company's Term Loan (see Financing Arrangements within the Liquidity and Capital Resources section of MD&A). Management believes EBITDA to be relevant and useful information, as EBITDA is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance and ability to service debt obligations. However, these financial measures should not be construed as better measurements than operating income (loss), operating cash flow, net income (loss), or earnings (loss) per share, as determined under GAAP. Other companies may calculate EBITDA differently; therefore, the Company's EBITDA may not be comparable to similarly titled measures of other companies.

Freight Transportation Segment: ABF Overview

ABF's operations are affected by general economic conditions, as well as a number of other competitive factors that are more fully described in the Business and Risk Factors sections of the Company's 2012 Annual Report on Form 10-K.

The key indicators that have the greatest impact on ABF's operating results include:

- the overall customer demand for ABF's freight transportation services;
- the volume of transportation services provided by ABF, primarily measured by average daily shipment weight ("tonnage"), which influences operating leverage as tonnage levels vary;
- the prices ABF obtains for its services, primarily measured by yield ("revenue per hundredweight"), including fuel surcharges; and
- ABF's ability to manage its cost structure, primarily in the area of salaries, wages, and benefits ("labor"), with the total cost structure measured by the percent of operating expenses to revenue levels ("operating ratio").

In an ongoing effort to manage its cost structure to business levels, the Company routinely evaluates and modifies the ABF network to reflect changes in customer demands and to reconcile ABF's infrastructure with tonnage levels and the proximity of customer freight. The ABF network operates under a labor cost structure which is largely determined by ABF's contractual obligations under its collective bargaining agreement with the IBT. As a result of ABF's current labor cost structure and recent operating results, the Company is currently evaluating adjustments to the ABF network, including the closure of certain terminals and distribution centers. The costs to relocate certain operations in connection with the potential ABF network adjustments are not expected to be material. Any network changes will be made in consideration of customer service levels and other relevant factors while focusing on returning ABF to profitability. There can be no assurances that these changes, if made, will result in a material improvement of ABF's results of operations.

ABF’s operating performance is generally evaluated by comparison to the same prior-year periods due to seasonal fluctuations which affect tonnage and shipment levels. The key performance factors and operating results of ABF are discussed in the following paragraphs.

Tonnage

ABF’s tonnage levels for the three and six months ended June 30, 2013 increased 1.6% and 4.1%, respectively, on a per-day basis compared to the same prior-year periods, with average tonnage per day above the prior year in each month during the 2013 periods. Quarterly tonnage levels have fluctuated significantly in recent years. From third quarter 2011 through third quarter 2012, ABF experienced quarterly decreases in year-over-year tonnage per day, which were influenced by ABF’s initiatives to improve account profitability and which led to year-over-year increases in billed revenue per hundredweight for each quarter of 2012. The year-over-year daily tonnage increases of 6.7% and 1.6% in the first and second quarter of 2013, respectively, compared favorably to first and second quarter 2012 tonnage levels, which were 10.6% and 6.3% lower, respectively, than the same periods of the previous year. ABF’s second quarter 2013 tonnage increase was influenced by heavier shipments and business growth in the regional markets (length of haul within 1,000 miles). The impact of general economic conditions and ABF’s pricing approaches, as further discussed in the following Pricing section, may continue to impact ABF’s tonnage levels and, as such, there can be no assurances that ABF will achieve improvements in its current operating results. For the month of July 2013, ABF’s average daily total tonnage increase for ABF was 4% to 5% comparing favorably to July 2012 when ABF experienced a year-over-year tonnage decline of 3%. As a result, ABF’s revenues for the month of July 2013 were 5% to 6% above July 2012 on a per-day basis.

Pricing

Another key to ABF’s operating performance is the industry pricing environment which influences ABF’s ability to obtain appropriate margins and price increases on customer accounts. Externally, ABF’s pricing is typically measured by billed revenue per hundredweight, which is a reasonable, although approximate, measure of price change. Generally, freight is rated by a class system, which is established by the National Motor Freight Traffic Association, Inc. Light, bulky freight typically has a higher class and is priced at a higher revenue per hundredweight than dense, heavy freight. Changes in the rated class and packaging of the freight, along with changes in other freight profile factors such as average shipment size, average length of haul, freight density, and customer and geographic mix, can affect the average billed revenue per hundredweight measure.

Approximately 40% of ABF’s business is subject to ABF’s base less-than-truckload (“LTL”) tariffs, which are affected by general rate increases, combined with individually negotiated discounts. Rates on the other 60% of ABF’s business are subject to individual pricing arrangements that are negotiated at various times throughout the year. The majority of the tonnage related to this business is associated with larger customer accounts with annually negotiated pricing arrangements, and the remaining business is priced on an individual shipment basis considering each shipment’s unique profile, value provided by ABF to the customer, and current market conditions.

Since pricing is established individually by account, ABF focuses on individual account profitability rather than billed revenue per hundredweight when considering customer account or market evaluations. This is due to the difficulty of quantifying, with sufficient accuracy, the impact of changes in freight profile characteristics, which is necessary in estimating true price changes. Obtaining overall base rate increases involves a lengthy process to address the pricing and resulting profitability of individual customer accounts. In addition, industry pricing has been negatively impacted during the recent recessionary periods of lower available tonnage, particularly in 2010 and 2009, when pricing became a primary driver of competition as many carriers attempted to either gain market share or minimize tonnage losses through price discounting. Pricing on ABF’s traditional LTL business was adversely impacted during this time in which ABF was not able to adequately secure base LTL rate increases. Prolonged periods with insufficient base LTL rate improvements result in higher operating ratios as elements of unit cost, including contractual wage and benefit rates, continue to increase.

Total billed revenue per hundredweight for second quarter 2013 was consistent with second quarter 2012. Total billed revenue per hundredweight decreased slightly during the six months ended June 30, 2013 compared to the same prior-year period, reflecting lower pricing during first quarter 2013. ABF took a more cautious approach to its overall account evaluation during the first quarter of 2013 focusing on retention of customer accounts during the seasonally slower months, but shifted this focus toward yield improvement during the second quarter of 2013. In addition, changes in freight profile, which include a lower rated freight classification, a shorter length of haul, and increased weight per shipment, had an unfavorable impact on the billed revenue per hundredweight measure during the six months ended June 30, 2013. Turnover of customer accounts also negatively impacted the billed revenue per hundredweight measure as increased business from new customers during the six months ended June 30, 2013 yielded lower revenue per hundredweight than the business that declined. Furthermore, a higher proportion of truckload rated shipments in first quarter 2013 contributed to the lower total billed revenue per hundredweight measure for the six months ended June 30, 2013. The impact of freight profile characteristics was partially offset by the May 2013 and June 2012 general rate increases and improvements in contractual and deferred pricing agreements as further discussed in ABF Results within the Freight Transportation Segment section of Results of Operations. A competitive environment could limit ABF from securing adequate increases in base LTL freight rates and could limit the amount of fuel surcharge revenue recovered.

Fuel

The transportation industry is dependent upon the availability of adequate fuel supplies. The Company has not experienced a lack of available fuel but could be adversely impacted if a fuel shortage develops. ABF charges a fuel surcharge based on changes in diesel fuel prices compared to a national index. Although revenues from fuel surcharges generally more than offset direct diesel fuel costs, other operating costs have been, and may continue to be, impacted by fluctuating fuel prices. The total impact of energy prices on other nonfuel-related expenses is difficult to ascertain. ABF cannot predict, with reasonable certainty, future fuel price fluctuations, the impact of energy prices on other cost elements, recoverability of fuel costs through fuel surcharges, and the effect of fuel surcharges on ABF's overall rate structure or the total price that ABF will receive from its customers. While the fuel surcharge is one of several components in ABF's overall rate structure, the actual rate paid by customers is governed by market forces based on value provided to the customer.

During periods of changing diesel fuel prices, the fuel surcharge and associated direct diesel fuel costs also vary by different degrees. Depending upon the rates of these changes and the impact on costs in other fuel- and energy-related areas, operating margins could be impacted. Fuel prices have fluctuated significantly in recent years. Whether fuel prices fluctuate or remain constant, ABF's operating income may be adversely affected if competitive pressures limit its ability to recover fuel surcharges. Throughout the first six months of 2013, the fuel surcharge mechanism generally continued to have market acceptance among ABF customers; however, certain nonstandard pricing arrangements have limited the amount of fuel surcharge recovered. The negative impact on operating margins of capped fuel surcharge revenue during periods of increasing fuel costs is more evident as fuel prices remain above the maximum levels recovered through the fuel surcharge mechanism on certain accounts. ABF's operating results will continue to be impacted by further changes in fuel prices and the related fuel surcharges.

Labor Costs

ABF is generally effective in managing its costs to business levels. ABF's ability to effectively manage labor costs has a direct impact on its operating performance. These costs, which are reported in Freight Transportation operating expenses and costs as salaries, wages, and benefits, amounted to 61.0% and 63.2% of ABF's revenues for the three and six months ended June 30, 2013, respectively, compared to 61.1% and 63.8% for the same periods of 2012. Labor costs, including retirement and health care benefits for ABF's contractual employees that are provided by a number of multiemployer plans (see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q), are impacted by contractual obligations under the NMFA and other related supplemental agreements, ABF's labor agreement primarily with the IBT which is currently extended through August 31, 2013.

ABF operates in a highly competitive industry which consists predominantly of nonunion motor carriers. The Company's nonunion competitors have a lower fringe benefit cost structure and less stringent labor work rules, and certain carriers also have lower wage rates for their freight-handling and driving personnel. Wage and benefit concessions granted to certain union competitors also allow for a lower cost structure than that of ABF. Under its current extended collective bargaining agreement, ABF is the only remaining union LTL carrier still paying full NMFA wage and benefit rates which were once applicable to more than 500,000 IBT member employees. These benefit rates include contributions to multiemployer plans, a portion of which are used to pay benefits to individuals who were never employed by ABF. Information provided by a large multiemployer pension plan to which the Company contributes indicates that more than 40% of the plan's benefit payments are made to retirees of companies that are no longer contributing employers.

During recent recessionary economic conditions, competitors with lower labor cost structures reduced freight rates to gain market share. These competitive actions in recent years have limited ABF's ability to maintain or increase base freight rates to sufficient levels. ABF has continued to address with the IBT the effect of ABF's wage and benefit cost structure on its operating results through negotiation of the 2013 ABF NMFA and the related supplemental agreements, as well as through the grievance process and legal proceedings as disclosed in Note L to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Upon approval of the remaining supplemental agreements and implementation of the 2013 ABF NMFA, as previously discussed in the General section of MD&A, the Company expects the combined effect of immediate cost reductions, lower cost increases throughout the contract, and increased flexibility in labor work rules to be crucial steps in more closely aligning ABF's labor cost structure with that of its competitors.

Freight Transportation Segment: ABF Results

The following table sets forth a summary of operating expenses and operating income (loss) as a percentage of revenue for ABF:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2013	**2012**	**2013**	**2012**
ABF OPERATING EXPENSES AND COSTS				
Salaries, wages, and benefits	**61.0%**	61.1%	**63.2%**	63.8%
Fuel, supplies, and expenses	**18.5**	18.8	**19.4**	19.5
Operating taxes and licenses	**2.4**	2.5	**2.6**	2.6
Insurance	**1.4**	1.3	**1.2**	1.3
Communications and utilities	**0.9**	0.8	**0.9**	0.9
Depreciation and amortization	**4.2**	4.4	**4.5**	4.5
Rents and purchased transportation	**9.9**	9.0	**9.7**	8.7
Gain on sale of property and equipment	**–**	(0.1)	**–**	(0.1)
Other	**0.5**	0.5	**0.5**	0.5
	98.8%	98.3%	**102.0%**	101.7%
ABF Operating Income (Loss)	**1.2%**	1.7%	(2.0)%	(1.7)%

The following table provides a comparison of key operating statistics for ABF:

	Three Months Ended June 30			Six Months Ended June 30		
	2013[1]	2012[1]	**% Change**	**2013[1]**	2012[1]	**% Change**
Workdays	**64.0**	63.5		**126.5**	127.5	
Billed revenue[2] per hundredweight, including fuel surcharges	**$ 27.79**	$ 27.79	–	**$ 27.35**	$ 27.66	(1.1)%
Pounds	**1,631,389,417**	1,592,424,534	2.4%	**3,149,167,408**	3,049,354,454	3.3%
Pounds per day	**25,490,460**	25,077,552	1.6%	**24,894,604**	23,916,506	4.1%
Shipments per DSY[3] hour	**0.481**	0.481	–	**0.475**	0.481	(1.2)%
Pounds per DSY[3] hour	**659.17**	652.79	1.0%	**654.36**	646.82	1.2%
Pounds per shipment	**1,370**	1,357	1.0%	**1,377**	1,344	2.5%
Pounds per mile	**20.64**	19.87	3.9%	**20.39**	19.79	3.0%

(1) Certain reclassifications have been made to the prior year's operating segment data and statistics to conform to the current year presentation, primarily the exclusion of the operating information of Global Supply Chain Services and Supply Chain Services from key operating statistics.
(2) Revenue for undelivered freight is deferred for financial statement purposes in accordance with ABF's revenue recognition policy. Billed revenue used for calculating revenue per hundredweight measurements has not been adjusted for the portion of revenue deferred for financial statement purposes.
(3) Dock, street, and yard ("DSY") measures are further discussed in ABF Operating Expenses within this section of ABF Results.

ABF Revenues

ABF's revenues for the three and six months ended June 30, 2013 were $446.8 million and $854.0 million, respectively, compared to $440.4 million and $836.9 million for the same periods in 2012. ABF's revenues per day were slightly higher for the three months ended June 30, 2013 and were 2.9% higher for the six months ended June 30, 2013 than the same periods of 2012, primarily reflecting increases in tonnage per day of 1.6% and 4.1% for the three- and six-month periods ended June 30, 2013, respectively. ABF's billed revenue per hundredweight, including fuel surcharges, for second quarter 2013 was consistent with second quarter 2012, but decreased 1.1% for the six-month period ended June 30, 2013.

ABF's tonnage increases for the three and six months ended June 30, 2013 compared to the same periods of 2012 reflected growth in the regional markets (length of haul within 1,000 miles). The second quarter 2013 tonnage increase compared favorably to a decline in tonnage per day of 6.3% experienced in second quarter 2012 versus the same prior-year period. The tonnage change during the three- and six-month periods ended June 30, 2013 also reflected an increase of 1.0% and 2.5%, respectively, in weight per shipment on a slightly higher number of shipments compared to the same periods of 2012.

Effective May 28, 2013 and June 25, 2012, ABF implemented a nominal general rate increase on its LTL base rate tariffs of 5.9% and 6.9%, respectively, although the amounts vary by lane and shipment characteristics. During the six months ended June 30, 2013 prices on accounts subject to annually negotiated contracts which were renewed during the period increased approximately 3.8% compared to the same prior-year period.

The change in total billed revenue per hundredweight for the three and six months ended June 30, 2013, compared to the same periods of 2012, reflects a more cautious approach to account pricing in first quarter 2013 focused on retention of customer accounts during the seasonally slower months, with a shift in focus toward yield improvement during the second quarter of 2013, as well as changes in freight profile, including rated class, pounds per shipment, freight density, length of haul, and customer and geographic mix. The unfavorable impact of freight profile changes were partially offset by the

May 2013 and June 2012 general rate increases and improvements in contractual and deferred pricing agreements. Turnover of customer accounts also impacted the billed revenue per hundredweight measure as business from new customers, which led to increased year-over-year tonnage levels for the second quarter of 2013, yielded lower revenue per hundredweight than the business that declined. Excluding changes in fuel surcharges, freight profile, and account mix, average pricing on ABF's traditional LTL business experienced a low-single digit percentage increase for the three and six months ended June 30, 2013, compared to the same periods of 2012. The ABF Overview within the Freight Transportation Segment section of Results of Operations includes additional information regarding the pricing environment and fuel surcharge revenue.

ABF Operating Income (Loss)

ABF generated operating income of $5.5 million and an operating loss of $17.1 million during the three and six months ended June 30, 2013, respectively, compared to operating income of $7.6 million and an operating loss of $14.2 million for the same periods in 2012. ABF's operating ratios of 98.8% and 102.0% for the three and six months ended June 30, 2013, respectively, deteriorated from 98.3% and 101.7% in the same periods in 2012. The impact of recessionary economic conditions during recent periods on tonnage and industry pricing levels continues to have a significant influence on ABF's operating results. Although ABF's revenue increased as a result of improved tonnage levels for the six months ended June 30, 2013, ABF's ability to further improve its operating ratio is impacted by managing its cost structure (as discussed in Labor Costs of the ABF Overview section) as well as securing price increases to cover contractual wage and benefit rate increases, costs of maintaining customer service levels, and other increases in cost elements. ABF's operating ratio was impacted by changes in operating expenses as discussed in the following paragraphs.

ABF Operating Expenses

Labor costs, which are reported in operating expenses and costs of the Freight Transportation segment as salaries, wages, and benefits decreased 0.1% and 0.6% as a percentage of revenue for the three- and six-month periods ended June 30, 2013, primarily reflecting that portions of salaries, wages, and benefits are fixed in nature and decrease, as a percent of revenue, with increases in revenue levels including fuel surcharges. The decrease in labor costs as a percentage of revenue for the six months ended June 30, 2013 compared to the same prior year period also reflected the impact of unusually high workers' compensation claims costs in first quarter 2012, which resulted from increased severity on existing claims and the impact of unfavorable experience on the ultimate expected development of claims in the prior-year period. For the three and six months ended June 30, 2013, workers' compensation costs were in line with ABF's 10-year historical average.

Salaries, wages, and benefits costs increased $3.6 million and $5.8 million for the three and six months ended June 30, 2013, respectively, compared to the same prior-year periods. The expense increases in the 2013 periods reflect higher contractual wage and benefit costs related to ABF's union workforce under the current NMFA combined with increased costs for handling higher tonnage levels. The annual contractual wage increases effective primarily on April 1, 2012 averaged 1.9%, but no increase has been implemented in 2013 under the extension of the current NMFA. The health, welfare, and pension benefit contribution rates for contractual employees increased an average of 3.6%, effective primarily on August 1, 2012. Health, welfare, and pension benefit contribution rates did not increase on August 1, 2013 under the current NMFA extension. Assuming ratification of the remaining supplemental agreements of the 2013 ABF NMFA, such rates would be applied retroactively back to August 1, 2013 and are estimated to increase an average of approximately 3.5% to 4.5% annually over the life of the agreement.

ABF uses shipments per dock, street, and yard ("DSY") hour to measure labor efficiency in ABF's local operations, although total pounds per DSY hour is also a relevant measure when the average shipment size is changing. Total pounds per mile is used by ABF to measure labor efficiency of its linehaul operations, although this metric is influenced by other factors including freight density, loading efficiency, average length of haul, and the degree to which rail service is used. Although ABF manages costs with business levels, portions of salaries, wages, and benefits are fixed in nature and the adjustments which would otherwise be necessary to align the labor cost structure throughout the ABF system to corresponding tonnage levels are limited as ABF maintains customer service during periods of lower tonnage levels. The improvement in tonnage levels for the three and six months ended June 30, 2013 influenced the favorable impact on salaries, wages, and benefits expense of managing labor costs to business levels, as demonstrated by the productivity measures in the previous table, including increases in pounds per DSY hour and increases in pounds per mile, compared to the same prior-year periods. These productivity measures were also favorably influenced by higher utilization of rail service and the effect of increases in pounds per shipment. The productivity measures did not improve to the extent of business growth, and shipments per DSY hour for the six months ended June 30, 2013, were 1.2% lower than the same period in 2012, reflecting unfavorable changes in customer account profile and mix during 2013.

Rents and purchased transportation as a percentage of revenue increased by 0.9% and 1.0% for the three and six months ended June 30, 2013, respectively, compared to the same periods of 2012. The increases were primarily attributable to higher rail utilization, including increased associated fuel surcharges. Rail miles increased to 15.8% and 15.1% of total linehaul miles for the three and six months ended June 30, 2013, respectively, compared to 14.6% and 13.8% for the same periods in 2012.

As further discussed in the Liquidity and Capital Resources section of MD&A, the Company's 2013 capital expenditure plan is highly dependent upon the terms of the collective bargaining agreement with the IBT to be implemented for the contract period subsequent to March 31, 2013. Accordingly, ABF's purchases of revenue equipment (tractors and trailers) have been at low levels in recent months. As existing revenue equipment is held for longer periods, ABF could incur increased expenditures for maintenance costs.

Non-Asset-Based Reportable Operating Segments

The operations of the Company's non-asset-based reportable operating segments are affected by general economic conditions, as well as a number of other competitive factors that are more fully described in the Business and Risk Factors sections of the Company's 2012 Annual Report on Form 10-K. The key indicators necessary to understand the operating results of these reportable segments are primarily customer demand for logistics services combined with economic factors which influence the number of shipments or events used to measure changes in business levels.

For the three and six months ended June 30, 2013, the combined revenues of the Company's non-asset-based operating segments totaled $131.0 million and $244.9 million, respectively, versus $71.4 million and $116.9 million in the same periods of 2012. Non-asset-based revenues accounted for approximately 23% and 22% of total revenues, before other revenues and intercompany eliminations, for the three and six months ended June 30, 2013, respectively, compared to 14% and 12% in the same prior year periods. The revenue increase is primarily related to the operations of Panther, as reported in the Premium Logistics and Expedited Freight Services segment, which was acquired on June 15, 2012 (see Note C to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

The acquisition of Panther was a key component of the Company's strategy to offer customers more end-to-end logistics solutions and expertise in response to their complex supply chain and unique shipping needs. By building the non-asset-based operating segments as a strong foundation of complementary business solutions to the Freight Transportation segment, the Company is better positioned to serve the changing marketplace in ABF's traditional markets and in premium markets that offer opportunities for higher margins. (See descriptions of the non-asset-based operating segments in Note K to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.)

Premium Logistics and Expedited Freight Services

The Premium Logistics and Expedited Freight Services segment generated operating income of $1.5 million and $0.6 million on revenues of $60.4 million and $113.7 million for the three and six months ended June 30, 2013, respectively. Panther's 2013 revenues continued to be challenged by excess industry capacity and moderate demand. Panther's results have also been impacted by investments made in sales and service locations for future growth. However, improvements were reported on a sequential basis as second quarter 2013 revenues increased by $7.1 million, or 13.3%, compared to first quarter 2013, and second quarter 2013 operating income increased by $2.4 million compared to first quarter 2013.

Truck Brokerage and Management

Truck Brokerage and Management reported revenues of $16.3 million and $30.9 million for the three and six months ended June 30, 2013, respectively, compared to $10.0 million and $18.1 million for the same periods in 2012. The increase in revenues was related primarily to a 75.8% and 82.0% increase in shipments managed during the three and six months ended

June 30, 2013, respectively, reflecting an expanded customer base. Truck Brokerage and Management's operating income was relatively consistent in the second quarter periods but increased to $1.5 million for the six months ended June 30, 2013 from $1.0 million in the same prior-year period, due primarily to the revenue growth.

Emergency and Preventative Maintenance

Emergency and Preventative Maintenance revenues which totaled $32.9 million and $65.5 million for the three and six months ended June 30, 2013, respectively, increased 9.4% and 24.7% from the same prior-year periods. The revenue growth was driven by an increase in customer emergency and maintenance service events during the three and six months ended June 30, 2013 due primarily to the addition of new customers and expanded service to existing customers. Emergency and Preventative Maintenance's operating income increased to $0.8 million and $1.5 million for the three and six months ended June 30, 2013, respectively, from $0.7 million and $0.6 million for the same periods in 2012. The operating profit improvement reflects the revenue growth along with improvements in labor productivity and efficiencies in other general expense areas.

Household Goods Moving Services

Revenues of Household Goods Moving Services totaled $21.3 million and $34.8 million for the three and six months ended June 30, 2013, respectively, compared to $20.5 million and $35.5 million for same prior-year periods. Household Goods Moving Services reported operating income of $0.9 million and $0.7 million for the three and six months ended June 30, 2013, respectively, compared to operating income of $0.2 million and an operating loss of $0.6 million for the same periods in 2012. The improved operating results in 2013 are primarily attributable to cost reductions and efficiencies gained from investments made in 2012. For the 2013 periods, the Household Goods Moving Services segment includes the results of the logistics company acquired by Albert Companies, Inc. on May 31, 2013 (see Note C to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”)

As presented in the following table, each of the non-asset-based segments generated positive EBITDA for the three- and six-month periods ended June 30, 2013. On a combined basis, the non-asset-based segments generated $7.1 million and $10.5 million of EBITDA for the three- and six-month periods ended June 30, 2013, respectively, compared to significantly lower EBITDA in the same periods of 2012. The year-over-year increases were primarily driven by the acquired operations of Panther and reflected improved operating results of each segment.

	Three Months Ended June 30					
	2013			2012		
	Operating Income (Loss)(1)	Depreciation and Amortization	EBITDA	Operating Income (Loss) (1)	Depreciation and Amortization	EBITDA
	(in thousands)					
Premium Logistics and Expedited Freight Services	**$ 1,506**	**$ 2,594(2)**	**$ 4,100**	$ 480	$ 473	$ 953
Truck Brokerage and Management	**692**	**99**	**791**	655	68	723
Emergency and Preventative Maintenance	**810**	**130**	**940**	694	130	824
Household Goods Moving Services	**948**	**285**	**1,233**	165	179	344
Total non-asset-based segments	**$ 3,956**	**$ 3,108**	**$ 7,064**	$ 1,994	$ 850	$ 2,844

	Six Months Ended June 30					
	2013			2012		
	Operating Income (Loss)(1)	Depreciation and Amortization	EBITDA	Operating Income (Loss) (1)	Depreciation and Amortization	EBITDA
	(in thousands)					
Premium Logistics and Expedited Freight Services	**$ 642**	**$ 5,144(2)**	**$ 5,786**	$ 480	$ 473	$ 953
Truck Brokerage and Management	**1,459**	**191**	**1,650**	1,049	132	1,181
Emergency and Preventative Maintenance	**1,522**	**262**	**1,784**	558	249	807
Household Goods Moving Services	**717**	**525**	**1,242**	(626)	358	(268)
Total non-asset-based segments	**$ 4,340**	**$ 6,122**	**$10,462**	$ 1,461	$ 1,212	$ 2,673

(1) The calculation of EBITDA as presented in this table begins with Operating Income (Loss), as Other Income (Expense) and Income Taxes are reported at the consolidated level and not included in the segment financial information evaluated by management to make operating decisions.

(2) Includes amortization of acquired intangibles for the three and six months ended June 30, 2013 of $1.1 million and $2.1 million, respectively, and amortization of acquired software for the three and six months ended June 30, 2013 of $1.2 million and $2.3 million, respectively (see Note D to the Company’s consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Management believes EBITDA to be relevant and useful information, as EBITDA is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance and ability to service debt obligations. The EBITDA measure is particularly meaningful in evaluating the results of the Premium Logistics and Expedited Freight Services segment due to the significant amount of intangible and software amortization encumbering the segment’s operating results. However, these financial measures should not be construed as better measurements than operating income (loss), operating cash flow, net income (loss), or earnings (loss) per share, as determined under GAAP.

Seasonality

The Company’s operations are impacted by seasonal fluctuations. Seasonal fluctuations affect tonnage and shipment levels of the Freight Transportation and Truck Brokerage and Management segments. Earnings are adversely affected by the impact of inclement weather conditions on the freight shipments and operating costs of these segments. The second and third calendar quarters of each year usually have the highest tonnage levels, while the first quarter generally has the lowest, although other factors, including the state of the economy, may influence quarterly freight tonnage levels.

Expedited shipments of the Premium Logistics and Expedited Freight Services segment may decline during winter months because of post-holiday slowdowns but can be subject to short-term increases depending on the impact of weather disruptions to customers' supply chains. Plant shutdowns during summer months may affect shipments for automotive and manufacturing customers of the Premium Logistics and Expedited Freight Services segment, but hurricanes and other weather events can result in higher demand for expedited services.

Emergency roadside service events of the Emergency and Preventative Maintenance segment are impacted by weather conditions that affect commercial vehicle operations, and the segment's results of operations will be influenced by the variation in events serviced.

Business levels of the Household Goods Moving Services segment are generally higher in the second and third quarters as the demand for moving services is typically higher in the summer months.

Current Economic Conditions

Given the economic environment and the uncertainties regarding the potential impact on the Company's business, primarily in the Freight Transportation and the Premium Logistics and Expedited Freight Services segments, there can be no assurance that the Company's estimates and assumptions regarding the pricing environment and economic conditions made for purposes of impairment tests related to operating assets and deferred tax assets will prove to be accurate. Panther, which constitutes the Premium Logistics and Expedited Freight Services segment, is evaluated as a separate reporting unit for the impairment assessment of goodwill and intangible assets. If the Company's assumptions regarding forecasted cash flows and revenue and operating income growth rates are revised, it is possible that a goodwill impairment test may be triggered and may result in a material non-cash write-off of a significant portion of Panther's goodwill and intangible assets, which would have an adverse effect on the Company's financial condition and operating results.

Legal and Environmental Matters

The Company is involved in various legal actions, the majority of which arise in the ordinary course of business. The Company maintains liability insurance against certain risks arising out of the normal course of its business, subject to certain self-insured retention limits. The Company routinely establishes and reviews the adequacy of reserves for estimated legal, environmental, and self-insurance exposures. While management believes that amounts accrued in the consolidated financial statements are adequate, estimates of these liabilities may change as circumstances develop. Considering amounts recorded, routine legal matters are not expected to have a material adverse effect on the Company's financial condition, cash flows, or results of operations. ABF Freight System, Inc. is currently involved in legal proceedings, for which the outcome and the related financial impact cannot be determined at this time, related to its current collective bargaining agreement, the NMFA (see Note L to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Liquidity and Capital Resources

The Company's primary sources of liquidity are unrestricted cash, cash equivalents, and short-term investments, cash generated by operations, and borrowing capacity under its credit agreement and accounts receivable securitization program.

Cash Flow and Short-Term Investments

Components of cash and cash equivalents and short-term investments were as follows:

	June 30 2013	December 31 2012
	(in thousands)	
Cash and cash equivalents[(1)]	**$ 88,553**	$ 90,702
Short-term investments, primarily FDIC-insured certificates of deposit	**29,879**	29,054
Total unrestricted	**118,432**	119,756
Restricted[(2)]	**1,901**	9,658
Total[(3)]	**$ 120,333**	$ 129,414

(1) Cash equivalents consist of money market funds and variable rate demand notes.
(2) Restricted cash, cash equivalents, and short-term investments represent certificates of deposit and cash deposits pledged as collateral for outstanding letters of credit and surety bonds in support of workers' compensation and third-party casualty claims liabilities (see Financing Arrangements in this section of MD&A).
(3) Cash, variable rate demand notes, and certificates of deposit are recorded at cost plus accrued interest, which approximates fair value. Money market funds are recorded at fair value based on quoted prices. At June 30, 2013 and December 31, 2012, cash, cash equivalents, and certificates of deposit of $65.8 million and $53.8 million, respectively, were not FDIC insured.

Unrestricted cash, cash equivalents, and short-term investments decreased $1.3 million from December 31, 2012 to June 30, 2013. The decrease in unrestricted funds, as discussed below, was partially offset by a $7.8 million transfer of funds from restricted to unrestricted due to replacing the collateral requirement under the surety bond program with an uncollateralized letter of credit under the accounts receivable securitization agreement (see the following Financing Arrangements section of Liquidity and Capital Resources).

During the six months ended June 30, 2013, cash provided by operations of $27.9 million and cash, cash equivalents, and short-term investments on hand were used to repay $22.0 million of long-term debt related to the Term Loan (further described in the following Financing Arrangements section), capital leases, and notes payable; fund $7.2 million of capital expenditures net of proceeds from asset sales; fund the acquisition of a privately-owned logistics company for net cash consideration of $4.1 million (see Note C to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q); pay $2.0 million of bank overdrafts (representing checks issued that are later funded when cleared through banks); and pay dividends of $1.6 million on Common Stock. Cash provided by operating activities during the six months ended June 30, 2013 was $13.8 million above the same prior-year period primarily due to changes in contributions to the nonunion defined benefit pension plan, which were $9.0 million during the six months ended June 30, 2013 compared to $18.0 million for the same prior-year period.

Unrestricted cash, cash equivalents, and short-term investments decreased $75.0 million from December 31, 2011 to June 30, 2012. The decrease in unrestricted funds was partially offset by the $31.7 million reduction in the collateral requirements under the Company's letter of credit agreements and surety bond program. During the six months ended June 30, 2012, cash provided by operations of $14.2 million and cash equivalents and short-term investments on hand, were used to fund $80.8 million of the Panther acquisition ($100.0 million of the purchase price was funded through the new Term Loan further described in Financing Arrangements within this section of MD&A); fund $15.7 million of capital expenditures net of proceeds from asset sales; repay $12.3 million of long-term debt related to capital leases and notes payable; pay $5.5 million of bank overdrafts; pay $1.6 million of financing fees; and pay dividends of $1.6 million on Common Stock. During the six months ended June 30, 2012, ABF financed the acquisition of $21.4 million of revenue equipment (tractors) through note payable arrangements.

Financing Arrangements

Term Loan

The Company has a credit agreement (the "Credit Agreement") with a syndicate of financial institutions. Pursuant to the Credit Agreement, a five-year, $100.0 million secured term loan (the "Term Loan") was provided to finance a portion of the cost of the acquisition of Panther (see Note C to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). The Credit Agreement also provides the Company with the right to request revolving commitments thereunder up to an aggregate amount of $75.0 million, subject to the satisfaction of certain additional conditions provided in the agreement. There have been no borrowings under the revolving commitments. The Term Loan is secured by a lien on certain of the Company's assets and pledges of the equity interests in certain subsidiaries (with these assets and subsidiaries defined in the Credit Agreement). The Term Loan requires quarterly principal payments and monthly interest payments, with remaining amounts outstanding due upon the maturity date of June 15, 2017. Borrowings under the Term Loan can be repaid in whole or in part at any time, without penalty, subject to required notice periods and compliance with minimum prepayment amounts. The Term Loan allows for the election of the interest rate at a base rate or LIBOR plus a margin based on the adjusted leverage ratio, as defined, which is measured at the end of each fiscal quarter.

The Credit Agreement contains conditions, representations and warranties, events of default, and indemnification provisions that are customary for financings of this type including, but not limited to, a minimum fixed charge coverage ratio, a maximum adjusted leverage ratio, and limitations on incurrence of debt, investments, liens on assets, transactions with affiliates, mergers, consolidations, and purchases and sales of assets. As of June 30, 2013, the Company was in compliance with the covenants.

As discussed in the ABF Overview of the Freight Transportation Segment section of Results of Operations within MD&A, ABF's operating results reflect business levels which have been impacted by weak general economic conditions in recent periods and a cost structure which is substantially higher than that of its competitors, primarily in the area of labor costs. Labor costs are impacted by ABF's contractual obligations under its current collective bargaining agreement primarily with the IBT, which has been extended through August 31, 2013.

The Company has reported consolidated net losses in three of the past four years, with recent results limiting the fixed charge coverage ratio, as defined by the Credit Agreement. For the reporting period ended June 30, 2013, the Company's fixed charge coverage ratio was 1.6 to 1.0, compared to the minimum ratio required by the Credit Agreement of 1.25 to 1.0. The Company may not satisfy the quarterly financial covenants required by the Credit Agreement in the future if consolidated operating results deteriorate from 2012 levels. If the fixed charge coverage ratio approaches the minimum required under the Credit Agreement, the Company could improve the ratio by prepaying certain amounts outstanding under notes payable and capital lease arrangements with available cash and cash equivalents. Further, the Company could pursue an amendment to or waiver of the covenants under the Credit Agreement. If the Company fails to obtain the appropriate amendment or waiver, the Term Loan could be immediately declared due and payable. If the Company fails to pay the amount due, the Company's borrowing capacity could be limited or the Credit Agreement could be terminated. Due to the Company's recent operating results, the terms of any new financing arrangements, if available, may be less favorable and result in higher costs than the Company's current arrangements. A default under the Credit Agreement could have a material adverse effect on the Company's liquidity and financial condition.

Notes Payable and Capital Leases

Purchases of certain revenue equipment, real estate, and certain other equipment have been financed through promissory note arrangements and capital lease agreements. The Company did not enter into note payable agreements or capital leases to finance equipment during the six months ended June 30, 2013. The Company will consider utilizing promissory note and capital lease arrangements to finance future purchases of certain equipment, provided such financing is available and the terms are acceptable to the Company.

Accounts Receivable Securitization Program

The Company has an accounts receivable securitization program with PNC Bank which provides for cash proceeds of an amount up to $75.0 million. Under this agreement, which matures on June 15, 2015, certain subsidiaries of the Company continuously sell a designated pool of trade accounts receivables to a wholly owned subsidiary which, in turn, may borrow funds on a revolving basis. This wholly owned consolidated subsidiary is a separate bankruptcy-remote entity, and its assets would be available only to satisfy the claims related to the lender's interest in the trade accounts receivables. Advances under the facility bear interest based upon LIBOR, plus a margin, and an annual facility fee. The securitization agreement contains representations and warranties, affirmative and negative covenants and events of default that are customary for financings of this type, including a maximum adjusted leverage ratio covenant. As of June 30, 2013 the Company was in compliance with the covenants. There have been no borrowings under this facility.

The accounts receivable securitization program includes a provision under which the Company may request and the letter of credit issuer may issue standby letters of credit, primarily in support of workers' compensation and third-party casualty claims liabilities in various states in which the Company is self-insured. The outstanding standby letters of credit reduce the availability of borrowings under the facility. As of June 30, 2013, standby letters of credit of $19.8 million have been issued under the facility, which reduced the available borrowing capacity to $55.2 million.

As previously discussed in the General section of MD&A, the 2013 ABF NMFA was ratified and ABF is currently seeking approval of the supplemental agreements which were not approved with the June 27, 2013 vote. Until a collective bargaining agreement for the contract period subsequent to March 31, 2013 is in place, the accounts receivable securitization program requires the Company to maintain $50.0 million of available liquidity, which may consist of unrestricted cash, cash equivalents, and short-term investments on hand, available borrowing capacity under the accounts receivable securitization facility, or any other revolving liquidity facility of the Company. The Company has maintained compliance with this provision, and had $173.7 million of available liquidity, as defined, as of June 30, 2013.

Letter of Credit Agreements

The Company has agreements with certain financial institutions to provide collateralized facilities for the issuance of letters of credit ("LC Agreements"). These financial institutions issue letters of credit on behalf of the Company primarily in support of the self-insurance program discussed in the previous Accounts Receivable Securitization Program section. The Company pays quarterly fees to the financial institutions based on the amount of letters of credit outstanding. The LC Agreements contain no financial ratios or financial covenants which the Company is required to maintain. As of June 30, 2013, the Company had $22.3 million of letters of credit outstanding (including $19.8 million which were issued under the accounts receivable securitization facility previously described within this Financing Arrangements section), of which $1.9 million were collateralized by restricted cash under the LC Agreements. The Company had up to $73.1 million available as of June 30, 2013 for issuance of letters of credit, subject to the Company's compliance with the requirements of issuance.

The Company has programs in place with multiple surety companies for the issuance of partially secured or unsecured surety bonds in support of the self-insurance program previously discussed. As of June 30, 2013, surety bonds outstanding related to the collateralized self-insurance program totaled $13.3 million, which were collateralized by letters of credit of $3.8 million issued under the previously described accounts receivable securitization facility. Under separate uncollateralized bond programs, surety bonds outstanding related to the Company's self-insurance program totaled $45.2 million as of June 30, 2013.

Contractual Obligations

The following table provides the aggregate annual contractual obligations of the Company as of June 30, 2013. The Company's 2012 Annual Report on Form 10-K includes additional information and description of these obligations.

	Payments Due by Period (in thousands)				
	Total	**Less Than 1 Year**	**1–3 Years**	**3–5 Years**	**More Than 5 Years**
Balance sheet obligations:					
Term Loan, including interest[1]	$ 95,987	$ 14,026	$ 35,572	$ 46,389	$ –
Notes payable, including interest[2]	31,055	16,728	14,327	–	–
Capital lease obligations, including interest[2]	14,630	8,897	4,930	438	365
Postretirement health expenditures[3]	8,556	618	1,321	1,570	5,047
Deferred salary distributions[4]	8,096	1,027	1,813	1,197	4,059
Supplemental pension distributions[5]	8,277	–	1,235	–	7,042
Voluntary savings plan distributions[6]	2,602	448	182	164	1,808
Off-balance sheet obligations:					
Operating lease obligations, including interest[7]	61,905	15,297	21,807	12,556	12,245
Purchase obligations[8]	11,225	4,717	3,130	2,813	565
Total contractual obligations	$ 242,333	$ 61,758	$ 84,317	$ 65,127	$ 31,131

(1) Represents payments under the Term Loan discussed in Financing Arrangements within this section of MD&A. The five-year $100.0 million secured Term Loan matures on June 15, 2017 and is being repaid in quarterly installments. The future interest payments included in the scheduled maturities due under the Term Loan are calculated using variable interest rates based on the LIBOR swap curve, plus the anticipated applicable margin. The principal outstanding as of June 30, 2013 totaled $90.0 million.

(2) Notes payable and capital lease obligations relate primarily to revenue equipment, as discussed in the Financing Arrangements section of Liquidity and Capital Resources. The future minimum rental commitments of lease obligations are presented exclusive of executory costs such as insurance, maintenance, and taxes. The capital lease agreements contain rental adjustment clauses for which the maximum amounts have been included in the contractual obligations presented.

(3) Represents projected payments, net of retiree premiums, over the next ten years for premiums related to postretirement health benefits. These estimated distributions are subject to change based upon increases and other changes in premiums and medical costs and continuation of the plan for current participants. Postretirement health benefit plan liabilities accrued in the consolidated balance sheet totaled $18.6 million as of June 30, 2013.

(4) Represents projected deferred salary agreement distributions. These distributions are subject to change based upon assumptions for projected salaries and retirements, deaths, disability, or early retirement of current employees. Liabilities for deferred salary agreements accrued in the consolidated balance sheet totaled $5.5 million as of June 30, 2013.

(5) Represents projected distributions under the unfunded supplemental benefit pension plan ("SBP") (see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). The amounts and dates of distributions in future periods are dependent upon actual retirement dates of eligible officers and other events and factors. SBP liabilities accrued in the consolidated balance sheet totaled $7.3 million as of June 30, 2013.

(6) Represents elective distributions anticipated under the Voluntary Savings Plan, a nonqualified deferred compensation plan. Future distributions are subject to change for retirement, death, or disability of current employees.

(7) While the Company owns the majority of its larger terminals and distribution centers, certain facilities and equipment are leased. As of June 30, 2013, the Company had future minimum rental commitments, net of noncancelable subleases, totaling $59.0 million for facilities and $2.9 million for equipment. The future minimum rental commitments are presented exclusive of executory costs such as insurance, maintenance, and taxes.

(8) Purchase obligations include purchase orders or authorizations to purchase and binding agreements relating to equipment and other items for which amounts were not accrued in the consolidated balance sheet as of June 30, 2013.

During the six months ended June 30, 2013, the Company contributed $9.0 million to its nonunion defined benefit pension plan and elected to apply the contributions to the 2012 plan year under the applicable funding rules of the Internal Revenue Code (the "IRC"). After consideration of the contributions made in 2013 and the effect of the plan curtailment on required funding levels, the Company's required minimum contribution to its nonunion defined benefit pension plan for the 2013 plan year has been satisfied based upon currently available actuarial information. The Company is permitted under the IRC to make contributions in excess of the minimum required contribution in 2013. For further discussion of the nonunion defined benefit pension plan and the plan curtailment, see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

ABF contributes to multiemployer health, welfare, and pension plans based generally on the time worked by its contractual employees, as specified in its current collective bargaining agreement and other supporting supplemental agreements (see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

The Company's 2013 capital expenditure plan is highly dependent upon the terms of the collective bargaining agreement with the IBT to be implemented for the contract period subsequent to March 31, 2013. Based on current projections, 2013 capital expenditures are estimated to be $25 million to $30 million, net of proceeds from asset sales. Depreciation and amortization expense related to property, plant and equipment is estimated to be in a range of $80 million to $85 million. The Company will adjust 2013 capital expenditures as business levels dictate. The amount of net capital expenditures could also be impacted by the extent of capital lease and promissory note financing available and utilized.

Other Liquidity Information

Cash, cash equivalents, and short-term investments, including amounts restricted, totaled $120.3 million at June 30, 2013. General economic conditions, along with competitive market factors and the related impact on tonnage and pricing levels that ABF receives for its services, could affect the Company's ability to maintain cash, cash equivalents, and short-term investments on hand and generate cash from operations as operating costs increase. Management believes existing cash, cash equivalents, short-term investments, cash generated by operations, and amounts available under the Credit Agreement and accounts receivable securitization program will be sufficient to meet its liquidity needs for the foreseeable future. Notes payable, capital leases, and other secured financing may also be used to fund capital expenditures, provided that such arrangements are available and the terms are acceptable to the Company.

The Company expects to continue to pay quarterly dividends on its Common Stock in the foreseeable future, although there can be no assurances in this regard since future dividends will be at the discretion of the Board of Directors and are dependent upon future earnings, capital requirements, the Company's financial condition, and other factors. On July 25, 2013, the Company's Board of Directors declared a dividend of $0.03 per share payable to stockholders of record as of August 8, 2013.

As of June 2013, approximately 75% of ABF's employees were covered under a collective bargaining agreement with the IBT, which extended through March 31, 2013. As previously discussed, ABF and the IBT have agreed to extensions of this collective bargaining agreement, under the same terms and conditions of the existing NMFA, effective through August 31, 2013. On June 27, 2013, a new collective bargaining agreement, the 2013 ABF NMFA, was ratified by a majority of ABF's IBT member employees who chose to vote. A majority of the supplements to the 2013 ABF NMFA were also approved. ABF is currently seeking approval of the remaining supplemental agreements. In the event the remaining supplemental agreements are not ratified, a work stoppage, the loss of customers, or other events could occur that could have a material adverse effect on the Company's competitive position, results of operations, cash flows, and financial position in 2013 and subsequent years. In the event of a temporary work stoppage, the Company plans to meet its liquidity needs primarily through existing liquidity, cash flows from its non-asset-based operations, available net working capital, funds from the sale or financing of other assets, reduction of spending levels, and elimination of dividends. The Company is also evaluating adjustments to the ABF network which could reduce operating costs on an ongoing basis as further discussed in the ABF Overview section of MD&A.

Financial Instruments

The Company has not historically entered into financial instruments for trading purposes, nor has the Company historically engaged in a program for hedging fuel prices. No such instruments were outstanding as of June 30, 2013.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include purchase obligations and future minimum rental commitments, net of noncancelable subleases, of $61.9 million under operating lease agreements primarily for terminal facilities, as disclosed in the contractual obligations table in the Liquidity and Capital Resources section of MD&A.

The Company has no investments, loans, or any other known contractual arrangements with unconsolidated special-purpose entities, variable interest entities or financial partnerships and has no outstanding loans with executive officers or directors of the Company.

Balance Sheet Changes

Accounts Receivable

Accounts receivable increased $25.5 million from December 31, 2012 to June 30, 2013, due to an increase in business levels in June 2013 compared to December 2012.

Accounts Payable

Accounts payable increased $10.5 million from December 31, 2012 to June 30, 2013, due to an increase in business levels in June 2013 compared to December 2012.

Accrued Expenses

Accrued expenses increased $11.7 million from December 31, 2012 to June 30, 2013, primarily due to differences in timing of accruals.

Income Taxes

The Company had an effective tax rate of 38.0% for the three months ended June 30, 2013 and an effective tax benefit rate of 44.8% for the six months ended June 30, 2013, compared to the effective tax benefit rate of 94.6% and 61.6% for the same respective prior year periods. The effective rate was impacted during the first six months of 2013 by the retroactive reinstatement of the alternative fuel tax credit which resulted in recognition of a $1.4 million benefit during the period for the 2012 credit and the year-to-date June 2013 credit. The effective rates for the 2012 periods were significantly affected by a net decrease recorded in second quarter of approximately $8.0 million in the valuation allowance for deferred tax assets based on management's judgment regarding the realization of deferred tax assets as affected by the purchase of Panther in June 2012.

The Company's U.S. statutory tax rate is 35% and the average state tax rate, net of the associated federal deduction, is approximately 3%. However, various factors may cause the full year 2013 tax rate to vary significantly from the statutory rate.

At June 30, 2013, the Company had net deferred tax liabilities after valuation allowances of $21.7 million. After excluding non-reversing deferred tax liabilities of $13.3 million, net deferred tax liabilities were $8.4 million at June 30, 2013. Due to the nonunion defined benefit pension plan curtailment, which was recorded in second quarter 2013 (see Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q), the related pension liability was reduced by $46.3 million and the associated deferred tax assets were reduced by $18.0 million (reflected as a net increase in long-term deferred tax liabilities in the accompanying consolidated balance sheet as of June 30, 2013).

At June 30, 2013 and December 31, 2012, valuation allowances for deferred tax assets totaled $2.2 million and $2.5 million, respectively. The $0.3 million net decrease from December 31, 2012 to June 30, 2013 primarily reflects the decrease in the allowance relating to state net operating loss and depreciation carryovers of ABF. The need for additional valuation allowances is continually monitored by management.

Financial reporting income differs significantly from taxable income because of such items as accelerated depreciation for tax purposes, pension accounting rules, and a significant number of liabilities such as vacation pay, workers' compensation reserves, and other reserves, which, for tax purposes, are generally deductible only when paid. For the six months ended June 30, 2013, there was a financial reporting loss but taxable income; for the six months ended June 30, 2012, the financial reporting loss exceeded the taxable loss.

The Company made $0.9 million of foreign and state tax payments during the six months ended June 30, 2013 and received refunds of $2.2 million of federal and state taxes that were paid in prior years, primarily from loss carrybacks allowed by the Internal Revenue Code and certain states.

Management does not expect the cash outlays for income taxes will materially exceed reported income tax expense for the foreseeable future.

Critical Accounting Policies

The Company's accounting policies that are "critical," or the most important, to understand the Company's financial condition and results of operations and that require management of the Company to make the most difficult judgments are described in the Company's 2012 Annual Report on Form 10-K. In addition to the critical accounting policies described therein, including the policy for nonunion defined benefit pension expense, management made estimates regarding pension curtailment associated with the freeze of the accrual of benefits under the Company's nonunion defined benefit pension plan which are disclosed in Note G to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

There have been no other material changes in the Company's critical accounting policies during the six months ended June 30, 2013. New accounting rules and disclosure requirements can significantly impact the Company's reported results and the comparability of financial statements. Management believes that there is no new accounting guidance adopted but not yet effective that is relevant to the financial statements. However, there are new proposals under development by the standard setting bodies which, if and when enacted, may have a significant impact on our financial statements, including the recognition of revenue and accounting for leases.

Forward-Looking Statements

Statements contained in the MD&A section of this report that are not based on historical facts are "forward-looking statements." Terms such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "predict," "project," "prospects," "scheduled," "should," "would," and similar expressions and the negatives of such terms are intended to identify forward-looking statements. Such statements are by their nature subject to uncertainties and risk, including, but not limited to, a workforce stoppage by employees covered under ABF's collective bargaining agreement or unfavorable terms of future collective bargaining agreements; relationships with employees, including unions; general economic conditions and related shifts in market demand that impact the performance and needs of industries served by the Company's subsidiaries and/or limit access of the Company's customers to adequate financial resources; union and nonunion employee wages and benefits, including changes in required contributions to multiemployer pension plans; competitive initiatives, pricing pressures, and the effect of volatility in fuel prices and the associated changes in fuel surcharges on securing increases in base freight rates and the inability to collect fuel surcharges; availability of fuel; default on covenants of financing arrangements and the availability and terms of future financing arrangements; availability and cost of reliable third-party services; disruptions or failures of services essential to the use of information technology platforms in our business; availability, timing, and amount of capital expenditures; future costs of operating expenses such as fuel and related taxes; self-insurance claims and insurance premium costs; governmental regulations and policies; future climate change legislation; potential impairment of goodwill and intangible assets; the impact of the Company's brand and corporate reputation; the cost, timing, and performance of growth initiatives; the cost, integration, and performance of any future acquisitions; costs of continuing investments in technology, a failure of our information systems, and the impact of cyber incidents; weather conditions; and other financial, operational, and legal risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission public filings.

FINANCIAL INFORMATION
ARKANSAS BEST CORPORATION

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Since December 31, 2012, there have been no significant changes in the Company's market risks as reported in the Company's 2012 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was performed with the participation of the Company's management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the Principal Executive Officer and Principal Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of June 30, 2013.

There were no changes in the Company's internal controls over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II.
OTHER INFORMATION
ARKANSAS BEST CORPORATION

ITEM 1. LEGAL PROCEEDINGS

For information related to the Company's legal proceedings, see Note L, Legal Proceedings, Environmental Matters, and Other Events under Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

The Company's risk factors are fully described in the Company's 2012 Annual Report on Form 10-K. See the General section of Management's Discussion and Analysis of Financial Condition and Results of Operations under Part I, Item 2 of this Quarterly Report on Form 10-Q for an update to one of the Company's risk factors. No other material changes to the Company's risk factors have occurred since the Company filed its 2012 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Recent sales of unregistered securities.

None.

(b) Use of proceeds from registered securities.

None.

(c) Purchases of equity securities by the issuer and affiliated purchasers.

The Company has a program to repurchase $75.0 million of its Common Stock in the open market or in privately negotiated transactions. The repurchases may be made either from the Company's cash reserves or from other available sources. The program has no expiration date but may be terminated at any time at the Board of Directors' discretion. As of June 30, 2013, the Company had purchased 1,618,150 shares for an aggregate cost of $56.8 million, leaving $18.2 million available for repurchase under the program. The Company made no repurchases during the six months ended June 30, 2013.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

OTHER INFORMATION
ARKANSAS BEST CORPORATION

ITEM 6. EXHIBITS

The following exhibits are filed or furnished with this report or are incorporated by reference to previously filed material:

Exhibit No.	
3.1	Restated Certificate of Incorporation of the Company (previously filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 under the Securities Act of 1933 filed with the Securities and Exchange Commission (the "Commission") on March 17, 1992, Commission File No. 33-46483, and incorporated herein by reference).
3.2	Certificate of Designations of $2.875 Series A Cumulative Convertible Exchangeable Preferred Stock of the Company (previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q, filed with the Commission on May 5, 2009, Commission File No. 000-19969, and incorporated herein by reference).
3.3	Certificate of Amendment to the Restated Certificate of Incorporation of the Company (previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Commission on April 24, 2009, Commission File No. 000-19969, and incorporated herein by reference).
3.4	Third Amended and Restated Bylaws of the Company dated as of April 22, 2010 (previously filed as Exhibit 3.5 to the Company's Quarterly Report on Form 10-Q, filed with the Commission on August 5, 2010, Commission File No. 000-19969, and incorporated herein by reference).
4.1#	Arkansas Best Corporation Nonqualified Stock Option Plan, as amended (previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 under the Securities Act of 1933 filed with the Commission on December 29, 2000, Commission File No. 333-52970, and incorporated herein by reference).
4.2#	2002 Arkansas Best Corporation Stock Option Plan (previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 under the Securities Act of 1933 filed with the Commission on January 29, 2003, Commission File No. 333-102815, and incorporated herein by reference).
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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 Labels Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

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Designates a compensation plan or arrangement for directors or executive officers.
* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARKANSAS BEST CORPORATION
(Registrant)

Date: August 9, 2013

/s/ Judy R. McReynolds
Judy R. McReynolds
President – Chief Executive Officer
and Principal Executive Officer

Date: August 9, 2013

/s/ Michael E. Newcity
Michael E. Newcity
Vice President – Chief Financial Officer
and Principal Financial Officer

EXHIBIT 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Judy R. McReynolds, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arkansas Best Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2013

/s/ Judy R. McReynolds
Judy R. McReynolds
President – Chief Executive Officer and
Principal Executive Officer

EXHIBIT 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael E. Newcity, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arkansas Best Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2013

/s/ Michael E. Newcity
Michael E. Newcity
Vice President – Chief Financial Officer and
Principal Financial Officer

EXHIBIT 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, (the "Report") by Arkansas Best Corporation (the "Registrant"), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

ARKANSAS BEST CORPORATION
(Registrant)

Date: August 9, 2013

/s/ Judy R. McReynolds
Judy R. McReynolds
President – Chief Executive Officer
and Principal Executive Officer

ARKANSAS BEST CORPORATION
(Registrant)

Date: August 9, 2013

/s/ Michael E. Newcity
Michael E. Newcity
Vice President – Chief Financial Officer
and Principal Financial Officer