USA TRUCK INC
Form 10-Q
August 14, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)
[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

OR

[ ] 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 0-19858

USA TRUCK, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	71-0556971
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
3200 Industrial Park Road Van Buren, Arkansas	72956
(Address of principal executive offices)	(Zip code)

(479) 471-2500
(Registrant's telephone number, including area code)
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.
Yes X No

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

Large Accelerated Filer _____ Accelerated Filer _____ Non-Accelerated Filer _____ Smaller Reporting Company X
(Do not check if a Smaller Reporting Company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No X

The number of shares outstanding of the registrant's Common Stock, par value $.01, as of August 2, 2013 is 10,544,106.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

USA TRUCK, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

(UNAUDITED)

	June 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash	$ 867	$ 1,742
Accounts receivable:		
Trade, less allowance for doubtful accounts of $333 in 2013 and $423 in 2012	65,287	64,491
Other	3,558	2,089
Inventories	1,324	1,790
Prepaid expenses and other current assets	16,267	15,415
Total current assets	87,303	85,527
Property and equipment:		
Land and structures	31,512	31,478
Revenue equipment	373,392	362,007
Service, office and other equipment	15,583	14,770
Property and equipment, at cost	420,487	408,255
Accumulated depreciation and amortization	(172,826)	(164,641)
Property and equipment, net	247,661	243,614
Note receivable	1,966	1,979
Other assets	355	374
Total assets	$ 337,285	$ 331,494
Liabilities and Stockholders' equity		
Current liabilities:		
Bank drafts payable	$ 2,096	$ 5,150
Trade accounts payable	26,352	22,484
Current portion of insurance and claims accruals	9,166	6,915
Accrued expenses	8,482	7,710
Note payable	453	1,352
	15,835	14,403

Current maturities of long-term debt and capital leases		
Deferred income taxes	645	1,304
Total current liabilities	63,029	59,318
Deferred gain	662	646
Long-term debt and capital leases, less current maturities	129,659	122,530
Deferred income taxes	34,634	35,953
Insurance and claims accruals, less current portion	3,699	3,617
Commitments and contingencies	--	--
Stockholders' equity:		
Preferred Stock, $.01 par value; 1,000,000 shares authorized; none issued	--	--
Preferred Share Purchase Rights, $0.01 par value; 150,000 shares authorized; none issued	--	--
Common Stock, $.01 par value; authorized 30,000,000 shares; issued 11,899,821 shares in 2013 and 11,770,265 shares in 2012	119	118
Additional paid-in capital	65,331	65,259
Retained earnings	61,895	65,767
Less treasury stock, at cost (1,355,715 shares in 2013 and 1,337,568 shares in 2012)	(21,743)	(21,714)
Total stockholders' equity	105,602	109,430
Total liabilities and stockholders' equity	$ 337,285	$ 331,494

See notes to consolidated financial statements.

USA TRUCK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	(in thousands, except per share data)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenue:				
Trucking revenue	$ 81,434	$ 71,846	$ 161,227	$ 147,782
Strategic Capacity Solutions revenue	30,028	31,674	55,123	53,560
Base revenue	111,462	103,520	216,350	201,342
Fuel surcharge revenue	28,276	26,049	55,416	51,900
Total revenue	139,738	129,569	271,766	253,242
Operating expenses and costs:				
Purchased transportation	35,730	35,275	66,208	62,253
Salaries, wages and employee benefits	34,663	34,717	70,230	70,230
Fuel and fuel taxes	33,017	30,567	68,613	65,336
Operations and maintenance	13,649	10,579	25,157	21,510
Depreciation and amortization	10,852	11,178	21,767	22,335
Insurance and claims	7,024	5,381	12,413	10,264
Operating taxes and licenses	1,696	1,389	2,704	2,896
Communications and utilities	984	1,057	2,069	2,079
Gain on disposal of assets, net	(429)	(724)	(819)	(1,266)
Other	3,497	4,479	7,195	8,570
Total operating expenses and costs	140,683	133,898	275,537	264,207
Operating loss	(945)	(4,329)	(3,771)	(10,965)
Other expenses (income):				
Interest expense	947	1,023	1,784	2,009
Other, net	(46)	(48)	(99)	(123)
Total other expenses, net	901	975	1,685	1,886
Loss before income taxes	(1,846)	(5,304)	(5,456)	(12,851)
Income tax benefit	(448)	(1,818)	(1,584)	(4,492)
Net loss and Comprehensive loss	$ (1,398)	$ (3,486)	$ (3,872)	$ (8,359)
Net loss per share information:				
Average shares outstanding (Basic)	10,293	10,304	10,299	10,302
Basic loss per share	$ (0.14)	$ (0.34)	$ (0.38)	$ (0.81)
Average shares outstanding (Diluted)	10,293	10,304	10,299	10,302
Diluted loss per share	$ (0.14)	$ (0.34)	$ (0.38)	$ (0.81)

See notes to consolidated financial statements.

USA TRUCK, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(UNAUDITED)

(in thousands)

	Common Stock		Additional			
	Shares	Par Value	Paid-in Capital	Retained Earnings	Treasury Stock	Total
Balance at December 31, 2012	11,770	$ 118	$ 65,259	$ 65,767	$ (21,714)	$ 109,430
Transfer of stock into (out of) Treasury Stock	--	--	29	--	(29)	--
Stock-based compensation	--	--	44	--	--	44
Restricted stock award grant	149	1	(1)	--	--	--
Forfeited restricted stock	(19)	--	--	--	--	--
Net loss	--	--	--	(3,872)	--	(3,872)
Balance at June 30, 2013	11,900	$ 119	$ 65,331	$ 61,895	$ (21,743)	$ 105,602

See notes to consolidated financial statements.

USA TRUCK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	(in thousands) Six Months Ended June 30, 2013	2012
Operating activities		
Net loss	$ (3,872)	$ (8,359)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	21,767	22,335
Provision for doubtful accounts	(90)	127
Deferred income taxes	(1,978)	(4,492)
Stock-based compensation	44	86
Gain on disposal of assets, net	(819)	(1,266)
Deferred gain	16	(4)
Changes in operating assets and liabilities:		
Accounts receivable	(2,175)	(7,162)
Inventories and prepaid expenses	(387)	(983)
Trade accounts payable and accrued expenses	3,281	6,490
Insurance and claims accruals	3,045	2,182
Net cash provided by operating activities	18,832	8,954
Investing activities:		
Purchases of property and equipment	(7,209)	(7,839)
Proceeds from sale of property and equipment	5,149	11,727
Change in other assets	32	(110)
Net cash (used in) provided by investing activities	(2,028)	3,778
Financing activities		
Borrowings under long-term debt	126,956	98,628
Principal payments on long-term debt	(130,147)	(93,528)
Principal payments on capitalized lease obligations	(10,536)	(16,007)
Principal payments on note payable	(899)	(912)
Net (decrease) increase in bank drafts payable	(3,053)	(2,942)

Net cash used in financing activities		(17,679)		(14,761)
Decrease in cash		(875)		(2,029)
Cash:				
Beginning of period		1,742		2,659
End of period	$	867	$	630
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	$	1,905	$	2,038
Supplemental disclosure of non-cash investing activities:				
Liability incurred for leases on revenue equipment		21,989		16,484
Purchases of revenue equipment included in accounts payable		1,359		7,051
Purchases of fixed assets included in long-term debt		295		233

See notes to consolidated financial statements.

USA TRUCK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
June 30, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended June 30, 2013, are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. For further information, refer to the financial statements, and footnotes thereto, included in our Annual Report on Form 10-K for the year ended December 31, 2012.

The balance sheet at December 31, 2012, has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

NOTE 2 – REVENUE RECOGNITION

Revenue generated by our Trucking operating segment is recognized in full upon completion of delivery of freight to the receiver's location. For freight in transit at the end of a reporting period, we recognize revenue pro rata based on relative transit time completed as a portion of the estimated total transit time. Expenses are recognized as incurred.

Revenue generated by our SCS and Intermodal operating segments is recognized upon completion of the services provided. Revenue is recorded on a gross basis, without deducting third party purchased transportation costs because we have responsibility for billing and collecting such revenue.

By agreement with our customers, and consistent with industry practice, we add a graduated fuel surcharge to the rates we charge our customers as diesel fuel prices increase above an agreed-upon baseline price per gallon. Base revenue in the consolidated statements of operations represents revenue excluding this fuel surcharge revenue.

Management believes these policies most accurately reflect revenue as earned and direct expenses, including third party purchased transportation costs, as incurred.

NOTE 3 – STOCK-BASED COMPENSATION

The USA Truck, Inc. 2004 Equity Incentive Plan provides for the granting of incentive or nonqualified options or other equity-based awards covering up to 1,125,000 shares of Common Stock to directors, officers and other key employees. No options were granted under this 2004 Equity Incentive Plan for less than the fair market value of the Common Stock as defined in the 2004 Equity Incentive Plan at the date of the grant. Options granted under the 2004 Equity Incentive Plan generally vest ratably over three to five years. The option price under the 2004 Equity Incentive Plan is the fair market value of our Common Stock at the date the options were granted. The exercise prices of outstanding options granted under the 2004 Equity Incentive Plan range from $2.85 to $22.54 as of June 30, 2013. At June 30, 2013, 549,384 shares were available for granting future options or other equity awards under this 2004 Equity Incentive Plan. The Company issues new shares upon the exercise of stock options.

Compensation expense related to incentive and nonqualified stock options granted under the Company's plans is included in salaries, wages and employee benefits in the accompanying consolidated statements of operations. The amount of compensation expense recognized, net of forfeiture recoveries, is reflected in the table below for the periods indicated.

	(in thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Compensation expense	$ 15	$ 27	$ 30	$ 38

The table below sets forth the assumptions used to value stock options granted during the periods indicated:

	2013	2012
Dividend yield	0%	0%
Expected volatility	35.6%	29.8 – 64.0%
Risk-free interest rate	1.2%	0.5 – 0.7%
Expected life (in years)	6.25	3.75 – 4.25

The expected volatility is a measure of the expected fluctuation in our share price based on the historical volatility of our stock. The risk-free interest rate is based on an implied yield on United States zero-coupon treasury bonds with a remaining term equal to the expected life of the outstanding options. Expected life represents the length of time we anticipate the options to be outstanding before being exercised. In addition to the above, we also include a factor for anticipated forfeitures, which represents the number of shares under options expected to be forfeited over the expected life of the options.

Information related to option activity for the six months ended June 30, 2013 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (1)
Outstanding - beginning of year	112,151	$ 12.54		
Granted	42,910	4.83		
Exercised	--	--		$ --
Cancelled/forfeited	(8,892)	5.34		
Expired	(20,060)	16.84		
Outstanding at June 30, 2013	126,109	$ 9.74	4.8	$ --
Exercisable at June 30, 2013	50,215	$ 13.72	1.4	$ --

(1) The intrinsic value of outstanding and exercisable stock options is determined based on the amount by which the market value of the underlying stock exceeds the exercise price of the option. The per share market value of our Common Stock, as determined by the closing price on June 28, 2013 (the last trading day of the quarter), was $6.44.

Compensation expense related to restricted stock awarded under the Company's plans is included in salaries, wages and employee benefits in the accompanying consolidated statements of operations. The compensation expense recognized is based on the market value of our Common Stock on the date the restricted stock award is granted and is not adjusted in subsequent periods. The amount to be recognized, net of forfeiture recoveries, is amortized over the vesting period. The amount of compensation expense recognized is reflected in the table below for the periods indicated.

	(in thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Compensation expense (credit)	$ 118	$ 51	$ 14	$ 48

Information related to the restricted stock awarded under the 2004 Equity Incentive Plan for the six months ended June 30, 2013, is as follows:

	Number of Shares	Weighted Average Grant Price (1)
Nonvested shares – December 31, 2012	113,458	$ 10.35
Granted	149,455	5.15
Forfeited	(19,899)	8.23
Vested	(19,435)	4.02
Nonvested shares – June 30, 2013	223,579	$ 7.61

(1) The shares were valued at the closing price of the Company's common stock on the dates of the awards.

On July 16, 2008, the Executive Compensation Committee of the Board of Directors of the Company, pursuant to the 2004 Equity Incentive Plan, granted thereunder awards totaling 200,000 restricted shares of the Company's Common Stock to certain officers of the Company. The grants were made effective as of July 18, 2008 and were valued at $12.13 per share, which was the closing price of the Company's Common Stock on that date. Each officer's restricted shares of Common Stock will vest in varying amounts over the ten year period beginning April 1, 2011, subject to the Company's attainment of defined retained earnings growth. Management must attain an average five-year trailing retained earnings annual growth rate of 10.0% (before dividends) in order for the shares to qualify for full vesting (pro rata vesting will apply down to 50.0% at a 5.0% annual growth rate). Any shares which fail to vest as a result of the Company's failure to attain a performance goal will forfeit and result in the recovery of the previously recorded expense. These forfeited shares will revert to the 2004 Equity Incentive Plan where they will remain available for grants under the terms of that Plan until that Plan expires in 2014. During the second quarter of 2011, management determined that the performance criteria would not be met for the shares that were scheduled to vest on April 1, 2012 and April 1, 2013. At that time, these shares were deemed forfeited and recorded as Treasury Stock. During the first quarter of 2013, management determined that it is probable that the performance criteria would not be met for the shares that were scheduled to vest on April 1, 2014, April 1, 2015 and April 1, 2016. Accordingly, the shares remain outstanding until their scheduled vesting dates, at which time their forfeitures become effective and the shares revert to the 2004 Equity Incentive Plan. The table below sets forth the information relating to the forfeitures of these shares.

July 16, 2008 Restricted Stock Award Forfeitures

Scheduled Vest Date	Date Deemed Forfeited and	Shares Forfeited	Expense Recovered (in thousands)	Date Shares Returned to

	Recorded as Treasury Stock	(in thousands)			Plan
April 1, 2011	June 30, 2010	9	$	70	April 1, 2011
April 1, 2012	June 30, 2011	8		66	April 1, 2012
April 1, 2013	June 30, 2011	15		101	April 1, 2013
April 1, 2014	February 28, 2013	9		78	April 1, 2014
April 1, 2015	February 28, 2013	9		65	April 1, 2015
April 1, 2016	February 28, 2013	9		56	April 1, 2016

On January 30, 2013, the Executive Compensation Committee of the Company's Board of Directors granted Restricted Stock Awards ("RSAs") in an amount equal to a percentage of the recipient's annual salary. The value of the RSAs was based on the closing price of the Company's Common Stock on the NASDAQ Stock Market on February 1, 2013 ($4.98) and a total of 36,961 restricted shares were issued. The shares were issued from the Company's 2004 Equity Incentive Plan. The RSAs will vest one-fourth each year beginning February 1, 2014, conditioned on continued employment and certain other forfeiture provisions. In addition, the Executive Compensation Committee approved the USA Truck, Inc. Management Bonus Plan. Plan participants, consisting of executive and other key management personnel, will be paid a cash percentage and an equity percentage of their base salaries corresponding with the achievement of certain levels of consolidated 2013 pretax income.

On February 15, 2013, in connection with his appointment as President and Chief Executive Officer, Mr. John M. Simone was granted 75,000 shares of restricted stock, to vest in equal 25% installments over four years, beginning February 18, 2014. He was also granted 42,910 non-qualified stock options with an exercise price of $4.83, which was the closing price of the Company's Common Stock February 19, 2013, to vest in equal 25% installments over four years, beginning February 18, 2014. Both awards are conditioned on continued employment and certain other forfeiture provisions.

On May 8, 2013, the Executive Compensation Committee of the Company's Board of Directors granted Restricted Stock Awards ("RSAs") to each non-employee member of the Company's Board of Directors. The awards were part of a change in the Directors' compensation plan, which included an elimination of Directors' Board meeting fees. The value of the RSAs was based on the closing price of the Company's Common Stock on the NASDAQ Stock Market on May 8, 2013 ($6.00) and a total of 30,830 restricted shares were awarded. The shares were granted from the Company's 2004 Equity Incentive Plan. The RSAs will vest upon the date of the 2014 Annual Shareholders' Meeting.

Information set forth in the following table is related to stock options and restricted stock as of June 30, 2013.

	(in thousands, except weighted average data)			
	Stock Options		Restricted Stock	
Unrecognized compensation expense	$	89	$	335
Weighted average period over which unrecognized compensation expense is to be recognized (in years)		1.9		5.6

NOTE 4 – SEGMENT REPORTING

We have three operating segments: Trucking (which consists of our General Freight and Dedicated Freight service offerings), Strategic Capacity Solutions ("SCS") (which consists entirely of our freight brokerage service offering), and Intermodal (which consists of our rail intermodal service offering). These three operating segments are disclosed as two reportable segments with SCS and Intermodal being aggregated into one reportable segment.

The service offerings we provide relate to the transportation of truckload quantities of freight for customers in a variety of industries. The services generate revenue, and incur expenses, primarily on a per mile basis.

	Percent of Total Base Revenue			
	Trucking		SCS and Intermodal	
Three Months Ended				
June 30, 2013	73.1	%	26.9	%
June 30, 2012	69.4	%	30.6	%
Six Months Ended				
June 30, 2013	74.5	%	25.5	%
June 30, 2012	73.4	%	26.6	%

Except with respect to the relatively minor components of our operations that do not involve the use of our trucks, key operating statistics for all three operating segments include, for example, revenue per mile and miles per tractor per week. While the operations of our SCS and Intermodal segments typically do not involve the use of our equipment and drivers, we nevertheless provide truckload freight services to our customers through arrangements with third party carriers who are subject to the same general regulatory environment and cost sensitivities imposed upon our Trucking operations. Therefore, we have aggregated the reporting of our Intermodal operations with our reporting for SCS operations. Based on Intermodal's relatively small size, and the interrelationship of SCS and Intermodal operations, we determined that separate reporting was not justified.

Assets are not allocated to our SCS or Intermodal segments, as those operations provide truckload freight services to our customers through arrangements with third party carriers who utilize their own equipment. To the extent our Intermodal operations require the use of Company-owned tractors or trailers, they are obtained from our Trucking segment on an as-needed basis. Accordingly, we allocate all of our assets to our Trucking segment. However, depreciation and amortization expense is allocated to our SCS and Intermodal segments based on the various assets specifically utilized to generate revenue. All intercompany transactions between segments are consummated at rates similar to those negotiated with independent third parties. All other expenses are allocated to our SCS and Intermodal operating segments based on headcount and specifically identifiable direct costs, as appropriate.

A summary of base revenue and fuel surcharge revenue by reportable segments is as follows:

	(in thousands) Revenue			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Base revenue				
Trucking	$ 81,441	$ 71,846	$ 161,244	$ 147,782
SCS and Intermodal	31,434	37,974	58,222	64,698
Eliminations	(1,413)	(6,300)	(3,116)	(11,138)
Total base revenue	111,462	103,520	216,350	201,342
Fuel surcharge revenue				
Trucking	23,392	20,964	45,615	41,995
SCS and Intermodal	5,260	6,921	10,638	12,250
Eliminations	(376)	(1,836)	(837)	(2,345)
Total fuel surcharge revenue	28,276	26,049	55,416	51,900
Total revenue	$ 139,738	$ 129,569	$ 271,766	$ 253,242

A summary of operating (loss) income by reportable segments is as follows:

	(in thousands) Operating income (loss)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Operating (loss) income				
Trucking	$ (3,108)	$ (6,324)	$ (7,086)	$ (14,275)
SCS and Intermodal	2,163	1,995	3,315	3,310
Operating loss	$ (945)	$ (4,329)	$ (3,771)	$ (10,965)

A summary of assets by reportable segments is as follows:

	(in thousands) Total Assets	
	June 30, 2013	December 31, 2012
Total Assets		
Trucking	$ 222,518	$ 218,145
Corporate and Other	114,767	113,349
Total Assets	$ 337,285	$ 331,494

A summary of amortization and depreciation by reportable segments is as follows:

	(in thousands) Depreciation and Amortization			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Depreciation and Amortization				
Trucking	$ 10,198	$ 10,466	$ 20,452	$ 20,873
SCS and Intermodal	62	134	141	256
Corporate and Other	592	578	1,174	1,206
Total Depreciation and Amortization	$ 10,852	$ 11,178	$ 21,767	$ 22,335

NOTE 5 – LEASE RECEIVABLES

During the fourth quarter of 2012, the Company began entering into lease-purchase agreements with certain drivers to allow them the opportunity to purchase a Company-owned tractor while concurrently becoming an independent contractor. At June 30, 2013, the Company had entered into 22 such agreements and had approximately $1.2 million included in Other Accounts Receivable in the accompanying Consolidated Balance Sheet. The Company believes these receivables are adequately collateralized; however, it has recorded an allowance for uncollectability in the approximate amount of $65,000 to cover any expenses it would incur in the event of a default.

NOTE 6 – NOTE RECEIVABLE

During November 2010, the Company sold its terminal facility in Shreveport, Louisiana. In connection with this sale, the buyer gave the Company cash in the amount of $0.2 million and a note receivable in the amount of $2.1 million. The note receivable bears interest at an annual rate of 7.0%, matures in five years and has scheduled principal and interest payments based on a 30-year amortization schedule. A balloon payment in the approximate amount of $1.9 million is payable to the Company when the note matures in 2015. Accordingly, the Company deferred the approximate $0.7 million gain on the sale of this facility, and will record this gain into earnings as payments on the note receivable are received. During the three and six month periods ended June 30, 2013, the Company recognized approximately $1,800 and approximately $3,600, respectively, of this gain. The Company believes that the note receivable balance at June 30, 2013, in the approximate amount of $2.0 million, is fully collectible and accordingly has not recorded any valuation allowance against the note receivable.

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NOTE 7 – PROPERTY AND EQUIPMENT

We review our long-lived assets for impairment in accordance with Topic ASC 360, Property, Plant and Equipment. This authoritative guidance provides that whenever there are certain significant events or changes in circumstances the value of long-lived assets or groups of assets must be tested to determine if their value can be recovered from their future cash flows. In the event that undiscounted cash flows expected to be generated by the asset are less than the carrying amount, the asset or group of assets must be evaluated to determine if an impairment of value exists. Impairment exists if the carrying value of the asset exceeds its fair value.

In light of the decline in our market capitalization and our net operating losses in recent years, triggering events and changes in circumstances have occurred, which required us to test our long-lived assets for recoverability at June 30, 2013.

We test for the recoverability of all of our long-lived assets as a single group at the entity level and examine the forecasted future cash flows generated by our revenue equipment, including its eventual disposition, to determine if those cash flows exceed the carrying value of our long-lived assets. At June 30, 2013, we determined that no impairment of value existed.

NOTE 8 – CLAIMS LIABILITIES

We are self-insured up to certain limits for bodily injury, property damage, workers' compensation, cargo loss and damage claims and medical benefits. Provisions are made for both the estimated liabilities for known claims as incurred and estimates for those incurred but not reported.

Our self-insurance retention levels are $0.5 million for workers' compensation claims per occurrence, $0.05 million for cargo loss and damage claims per occurrence and $1.0 million for bodily injury and property damage claims per occurrence. For medical benefits, the Company self-insures up to $0.25 million per plan participant per year with an aggregate claim exposure limit determined by our year-to-date claims experience and the number of covered lives. We are completely self-insured for physical damage to our own tractors and trailers, except that we carry catastrophic physical damage coverage to protect against natural disasters. We maintain insurance above the amounts for which we self-insure, to certain limits, with licensed insurance carriers. We have excess general, auto and employer's liability coverage in amounts substantially exceeding minimum legal requirements.

We record claims accruals at the estimated ultimate payment amounts based on information such as individual case estimates or historical claims experience. The current portion reflects the amounts of claims expected to be paid in the next twelve months. In making the estimates of ultimate payment amounts and the determinations of the current portion of each claim, we rely on past experience with similar claims, negative or positive developments in the case and similar factors. We re-evaluate these estimates and determinations each reporting period based on developments that occur and new information that becomes available during the reporting period.

NOTE 9 – ACCRUED EXPENSES

Accrued expenses consisted of the following:

	(in thousands)	
	June 30, 2013	December 31, 2012
Salaries, wages and employee benefits	$ 4,592	$ 3,779
	3,890	3,931

Other (1)		
Total accrued expenses	$ 8,482	$ 7,710

(1) As of June 30, 2013 and December 31, 2012, no single item included within other accrued expenses exceeded 5.0% of our total current liabilities.

NOTE 10 – NOTE PAYABLE

On October 11, 2012, the Company entered into an unsecured note payable of $1.8 million. The note, which is scheduled to mature on September 1, 2013, is payable in monthly installments of principal and interest of approximately $0.2 million and bears interest at 1.8%. The balance of the note payable at June 30, 2013 was $0.5 million. The note is being used to finance a portion of the Company's annual insurance premiums and is payable to a third party other than the insurance company.

NOTE 11 – LONG-TERM DEBT

Long-term debt consisted of the following:

	(in thousands) June 30, 2013	December 31, 2012
Revolving credit agreement (1)	$ 80,500	$ 83,513
Capitalized lease obligations and other long-term debt (2)	64,994	53,420
	145,494	136,933
Less current maturities	(15,835)	(14,403)
Long-term debt and capital leases, less current maturities	$ 129,659	$ 122,530

(1) On August 24, 2012, we entered into a $125.0 million revolving credit agreement (the "Revolver") with Wells Fargo Capital Finance, LLC, as Administrative Agent, and PNC Bank, as Syndication Agent. The Revolver, which expires in 2017, is secured by substantially all of our assets, and includes letters of credit not to exceed $15.0 million. In addition, the $125.0 million Revolver has an accordion feature whereby we may elect to increase the size of the Revolver by up to $50.0 million, subject to customary conditions and lender participation. The Revolver is governed by a borrowing base with advances against eligible billed and unbilled accounts receivable and eligible revenue equipment, and has a first priority perfected security interest in all of the business assets (excluding tractors and trailers financed through capital leases and real estate) of the Company. Proceeds from the Revolver were used to pay off the outstanding balance of our credit agreement with a different lender. Proceeds were also used to fund certain fees and expenses associated with the Revolver and will be used to finance working capital, capital expenditures and for general corporate purposes.

The Revolver contains a minimum excess availability requirement equal to 15.0% of the maximum revolver amount (currently $18.8 million) and an annual capital expenditure limit ($71.0 million effective January 1, 2013, with increases thereafter). If a collateral cushion, referred to as suppressed availability, of at least $30.0 million in excess of the maximum facility size is not maintained, the advance rate on eligible revenue equipment is reduced by 5.0% and the value attributable to eligible revenue equipment starts to decline in monthly increments. The Revolver contains a total capital expenditure limitation. The Revolver does not contain any financial maintenance covenants. At June 30, 2013, the Company was in compliance with the terms of the Revolver.

The Revolver bears interest at rates typically based on the Wells Fargo prime rate or LIBOR, in each case plus an applicable margin. The Base Rate is equal to the greatest of (a) the prime lending rate as publicly announced from time to time by Wells Fargo Bank N.A., (b) the Federal Funds Rate plus 1.0%, and (c) the three month LIBOR Rate plus 1.0%. The Base Rate at June 30, 2013 was 1.5%. The LIBOR Rate is the rate at which dollar deposits are offered to major banks in the London interbank market two business days prior to the commencement of the requested interest period. Most borrowings are expected to be based on the LIBOR rate option. The applicable margin ranges from 2.25% to 2.75% based on average excess availability and at June 30, 2013 it was 2.5%.

The Revolver includes usual and customary events of default for a facility of this nature and provides that, upon the occurrence and continuation of an event of default, payment of all amounts payable under the Revolver may be accelerated, and the lenders' commitments may be terminated. The
Revolver contains certain restrictions and covenants relating to, among other things, dividends, liens, acquisitions and dispositions, affiliate transactions and share repurchases. At June 30, 2013, the Company was in compliance with all of the covenants of the Revolver.

Applicable Margin means, as of any date of determination, the following margin based upon the most recent average excess availability calculation; provided, however, that for the period from the closing date through the testing period ended June 30, 2013, the Applicable Margin was at Level II and at any time that an Event of Default exists, the Applicable Margin shall be at Level III.

Level	Average Excess Availability	Applicable Margin in respect of Base Rate Loans under the Revolver	Applicable Margin in respect of LIBOR Rate Loans under the Revolver
I	≥ $50,000,000	1.25%	2.25%
II	< $50,000,000 but ≥ $30,000,000	1.50%	2.50%
III	< $30,000,000	1.75%	2.75%

We paid a $1.5 million closing fee. In addition, the Company is required to pay a fee on the unused amount of the Revolver as set forth in the table below, which is due and payable monthly in arrears. For the period from the closing date through June 30, 2013, the unused fee was at Level II.

Level	Average Unused Portion of the Revolver plus Outstanding Letters of Credit	Applicable Unused Revolver Fee Margin
I	> $60,000,000	0.375%
II	< $60,000,000	0.500%

There were no overnight borrowings under the Revolver at June 30, 2013. The interest rate including all borrowings made under the Revolver at June 30, 2013 was 2.7%. The weighted average interest rate on the Company's borrowings under the agreement for the three months ended June 30, 2013 was 3.1%. A quarterly commitment fee is payable on the unused portion of the credit line and at June 30, 2013, the rate was 0.5% per annum. The Revolver is collateralized by all non-leased revenue equipment having a net book value of approximately $182.1 million at June 30, 2013, and all billed and unbilled accounts receivable. As the Company reprices its debt on a monthly basis, the borrowings under the Revolver approximate its fair value. At June 30, 2013, the Company had outstanding $2.7 million in letters of credit and had approximately $23.0 million available under the Revolver (net of the minimum availability we are required to maintain of approximately $18.8 million).

(2) Capitalized lease obligations in the amount of $64.6 million have various termination dates extending through January 2017 and contain renewal or fixed price purchase options. The effective interest rates on the leases range from 1.6% to 4.0% at June 30, 2013. The lease agreements require us to pay property taxes, maintenance and operating expenses.

In May 2012, the Company entered into a long-term financing agreement in the amount of approximately $360,000 for the purchase of information technology related hardware. The agreement, which is scheduled to mature on May 31, 2014, is payable in annual installments of principal and interest of approximately $122,000, due on May 31, 2013 and 2014, and bears imputed interest at 3.16%. The balance of the agreement at June 30, 2013 was approximately $119,000.

In January 2013, the Company entered into a long-term financing agreement in the amount of approximately $295,000 for the purchase of information technology related hardware. The agreement, which is scheduled to mature on January 31, 2017, is payable in annual installments of principal and interest of approximately $63,000, due on January 31st of each year, and bears imputed interest at 3.05%. The balance of the agreement at June 30, 2013 was approximately $236,000.

In April 2013, the Company entered into a long-term financing agreement in the amount of approximately $300,000 for the purchase of information technology related hardware. The agreement, which is scheduled to mature on March 31, 2018, is payable in monthly installments of principal and interest of approximately $5,600 and bears interest at 4.492%. The initial monthly payment of this financing agreement was due on May 1, 2013. The balance of the agreement on June 30, 2013 was approximately $288,400.

The current maturities of the above financing agreements amount to approximately $175,000.

NOTE 12 – LEASES AND COMMITMENTS

We lease certain revenue equipment under capital leases with terms of 36, 42 or 45 months. Balances related to these capitalized leases are included in property and equipment in the accompanying consolidated balance sheets and are set forth in the table below for the periods indicated.

	(in thousands)		
	Capitalized Costs	Accumulated Amortization	Net Book Value
June 30, 2013	$ 78,745	$ 15,864	$ 62,881
December 31, 2012	67,788	16,366	51,422

We have entered into leases with lenders who participate in the Credit Agreement. Those leases contain cross-default provisions with the Credit Agreement. We have also entered into leases with other lenders who do not participate in our Credit Agreement. Multiple leases with lenders who do not participate in our Credit Agreement or Revolver generally contain cross-default provisions.

We routinely monitor our equipment acquisition needs and adjust our purchase schedule from time to time based on our analysis of factors such as new equipment prices, the condition of the used equipment market, demand for our freight services, prevailing interest rates, technological improvements, fuel efficiency, equipment durability, equipment specifications, our operating performance and the availability of qualified drivers.

As of June 30, 2013, for the remainder of 2013, we had commitments for the purchases of revenue equipment in the amount of approximately $40.4 million, $17.7 million of which is cancelable by us upon 75 days advance written notice. We anticipate taking delivery of the revenue equipment throughout the remainder of 2013.

NOTE 13 – CHANGE IN ACCOUNTING ESTIMATE

Effective June 1, 2013, the Company increased the depreciation periods for certain of its owned tractors and reduced the salvage values of those tractors. The depreciation period for single driver tractors was increased from 45 to 60 months, and the salvage value was reduced from 43% to 30% of the purchase price. The depreciation period for team tractors was increased from 36 to 48 months, and the salvage value was reduced from 43% to 40% of the purchase price.

The Company believes that these changes more appropriately reflect the current rates of tractor utilization and accordingly will more reasonably report balance sheet values. This change is being accounted for as a change in estimate which, during the quarter ended June 30, 2013, resulted in a reduction of pre-tax depreciation expense of approximately $0.20 million and approximately $0.13 million ($0.01 per share) on a net of tax basis.

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NOTE 14 – INCOME TAXES

During the three months ended June 30, 2013 and 2012, our effective tax rates were 24.3% and 34.3%, respectively. During the six months ended June 30, 2013 and 2012, our effective tax rates were 29.0% and 35.0%, respectively. Income tax expense varies from the amount computed by applying the statutory federal tax rate to income before income taxes primarily due to state income taxes, net of federal income tax effect, adjusted for permanent differences, the most significant of which is the effect of the per diem pay structure for drivers. Drivers may elect to receive non-taxable per diem pay in lieu of a portion of their taxable wages. This per diem program increases our drivers' net pay per mile, after taxes, while decreasing gross pay, before taxes. As a result, salaries, wages and employee benefits are slightly lower, and our effective income tax rate is higher than the statutory rate. Generally, as pre-tax income increases, the impact of the driver per diem program on our effective tax rate decreases because aggregate per diem pay becomes smaller in relation to pre-tax income. Due to the partially nondeductible effect of per diem pay, our tax rate will fluctuate in future periods based on fluctuations in earnings and in the number of drivers who elect to receive this pay structure.

We account for any uncertainty in income taxes by determining whether it is more likely than not that a tax position we have taken in a tax return will be sustained upon examination by the appropriate taxing authority based on the technical merits of the position. In that regard, we have analyzed filing positions in our federal and applicable state tax returns as well as in all open tax years. The only periods subject to examination for our federal returns are the 2009, 2010, 2011 and 2012 tax years and, in February 2013, we received notice that our 2011 federal tax return is being examined. We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our consolidated financial position, results of operations and cash flows. In conjunction with the above, our policy is to recognize interest related to unrecognized tax benefits as interest expense and penalties as operating expenses. We have not recorded any unrecognized tax benefits through June 30, 2013.

NOTE 15 – LOSS PER SHARE

Basic loss per share is computed based on the weighted average number of shares of Common Stock outstanding during the period. Diluted loss per share is computed by adjusting the weighted average number of shares of Common Stock outstanding by Common Stock equivalents attributable to dilutive stock options and restricted stock. The computation of diluted loss per share does not assume conversion, exercise, or contingent issuance of securities that would have an antidilutive effect on loss per share.

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

	(in thousands, except per share amounts)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Numerator:				
Net loss	$ (1,398)	$ (3,486)	$ (3,872)	$ (8,359)
Denominator:				
Denominator for basic loss per share – weighted average shares	10,293	10,304	10,299	10,302
Effect of dilutive securities:				
Employee stock options and restricted stock	--	--	--	--
Denominator for diluted loss per share – adjusted weighted average shares and	10,293	10,304	10,299	10,302

assumed conversions								
Basic loss per share	$	(0.14)	$	(0.34)	$	(0.38)	$	(0.81)
Diluted loss per share	$	(0.14)	$	(0.34)	$	(0.38)	$	(0.81)
Weighted average anti-dilutive employee stock options and restricted stock		168		177		185		175

NOTE 16 – LITIGATION

We are party to routine litigation incidental to our business, primarily involving claims for personal injury and property damage incurred in the transportation of freight. We maintain insurance to cover liabilities in excess of certain self-insured retention levels. Though management believes these claims to be routine and immaterial to our long-term financial position, adverse results of one or more of these claims could have a material adverse effect on our financial position or results of operations in any given reporting period.

On July 28, 2008, a former commission sales agent, Mr. William Blankenship (“Blankenship”), filed an action in the United States District Court, Western District of Arkansas entitled William Blankenship, Jr. v. USA Truck, Inc., asking the court to set aside a previously consummated settlement agreement between the parties. The matter was dismissed by the District Court based upon our Motion to Dismiss, but was later reinstated by the 8th Circuit Court of Appeals and set for trial in the United States District Court in Fort Smith, Arkansas. In October 2011, the trial was held in the United States District Court and the jury returned a favorable verdict for the Company on all counts and determined that the Company had no additional liability in this matter. On December 13, 2011, the Court entered an order awarding the Company its costs and attorney’s fees incurred in defending the case totaling approximately $0.2 million. Blankenship appealed the jury verdict and Court order. On June 27, 2013, the 8th Circuit Court of Appeals entered an order affirming the jury verdict and attorneys’ fee award in favor of USA Truck. By order dated July 30, 2013, the 8th Circuit Court of Appeals denied all of Blankenship’s requests for further appellate review, effectively ending the litigation.

NOTE 17 – STOCKHOLDER RIGHTS PLAN

On November 7, 2012, the Company's Board of Directors declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of the Company's Common Stock, which was paid on November 21, 2012 to stockholders of record at the close of business on such date. The Board of Directors also adopted the Rights Agreement by and between the Company and Registrar and Transfer Company, as Rights Agent (the "Rights Agreement").

The Rights will become exercisable (subject to customary exceptions) only if a person or group acquires 15% or more of the Company's Common Stock. At a designated time after a person or group becomes an acquiring person, upon payment of the exercise price of $12.00 per Right, a holder (other than an acquiring person) will be entitled to purchase $24.00 worth of shares of the Company's Common Stock (or under certain circumstances, the common stock of an entity that completes a business combination with the Company) at a 50% discount. The Rights Agreement is set to expire on November 21, 2014; however, the Rights Agreement will continue after the Company's 2014 Annual Meeting only upon stockholder approval at such meeting. The Company may redeem the Rights for nominal consideration before the Rights become exercisable.

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

Forward-Looking Statements

This report contains certain statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are subject to the safe harbor created by those sections, and the Private Securities Litigation Reform Act of 1995, as amended. All statements, other than statements of historical or current fact, are statements that could be deemed forward-looking statements, including without limitation: any projections of earnings, revenues, or other financial items; any statement of plans, strategies, and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; and any statements of belief and any statement of assumptions underlying any of the foregoing. Such statements may be identified by their use of terms or phrases such as "expects," "estimates," "projects," "believes," "anticipates," "intends," "plans," "goals," "may," "will," "should," "could," "potential," "continue," terms and phrases. Forward-looking statements are based on currently available operating, financial, and competitive information. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Item 1.A., Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2012. Readers should review and consider the factors that may affect future results and other disclosures by the Company in its press releases, Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.

All such forward-looking statements speak only as of the date of this report. You are cautioned not to place undue reliance on such forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in the events, conditions, or circumstances on which any such information is based.

All forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by this cautionary statement.

References to the "Company," "we," "us," "our" and words of similar import refer to USA Truck, Inc. and its subsidiary.

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto and other financial information that appears elsewhere in this report.

Overview

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand USA Truck, Inc., our operations and our present business environment. MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and notes thereto and other financial information that appears elsewhere in this report. This overview summarizes the MD&A, which includes the following sections:

Our Business – a general description of our business, the organization of our operations and the service offerings that comprise our operations.

Results of Operations – an analysis of our consolidated results of operations for the periods presented in our consolidated financial statements and a discussion of seasonality, the potential impact of inflation and fuel availability and cost.

Off-Balance Sheet Arrangements – a discussion of significant financial arrangements, if any, that are not reflected on our balance sheet.

Liquidity and Capital Resources – an analysis of cash flows, sources and uses of cash, debt, equity and contractual obligations.

Critical Accounting Estimates – a discussion of accounting policies that require critical judgment and estimates.

Our Business

We operate primarily in the for-hire truckload segment of the trucking industry. Customers in a variety of industries engage us to haul truckload quantities of freight, with the trailer we use to haul that freight being assigned exclusively to that customer's freight until delivery. Our three operating segments are classified into two reportable segments: our Trucking operating segment consisting primarily of our Truckload and Dedicated Freight and our Strategic Capacity Solutions ("SCS") operating segment consisting of our freight brokerage service offering and our rail intermodal service offering. We previously reported each operating segment separately; however, this quarter, based on several factors including the relatively small size of Intermodal and the interrelationship of SCS and Intermodal operations, we aggregated Intermodal with the SCS operating segment.

Substantially all of our base revenue is generated by transporting, or arranging for the transportation of, freight for customers and is predominantly affected by the rates per mile received from our customers and similar operating costs.

Our SCS and Intermodal operating segments are intended to provide services which complement our Trucking services, primarily to existing customers of our Trucking operating segment. A majority of the customers using our SCS and Intermodal services are also customers of our Trucking operating segment.

The following chart describes the base revenue of our two reportable segments.

	Trucking			
	Three Months Ended June 30,		Six Months Ended, June 30,	
	2013	2012	2013	2012
Base revenue (in thousands)	81,434	71,846	161,227	147,782
Percent of revenue	73.1 %	69.4 %	74.5 %	73.4 %

	SCS and Intermodal			
	Three Months Ended June 30,		Six Months Ended, June 30,	
	2013	2012	2013	2012
Base revenue (in thousands)	30,028	31,674	55,123	53,560
Percent of revenue	26.9 %	30.6 %	25.5 %	26.6 %

We generally charge customers for our services on a per-mile basis. The expenses which have a major impact on our profitability are the variable costs of transporting freight for our customers. The variable costs include fuel expense, insurance and claims and driver-related expenses, such as wages and benefits.

Trucking. Trucking includes the following primary service offerings provided to our customers:

- Truckload. Our Truckload service offering provides truckload freight services as a medium-haul common carrier. We have provided Truckload services since our inception, and we derive the largest portion of our revenue from these services.

- Dedicated Freight. Our Dedicated Freight service offering is a variation of our Truckload service, whereby we agree to make our equipment and drivers available to a specific customer for shipments over particular routes at specified times.

Strategic Capacity Solutions. Our SCS operating segment consists of our freight brokerage service offering and our rail intermodal service offering, both of which match customer shipments with available equipment of authorized carriers and provide services that complement our Trucking operations. Additionally, our rail intermodal service offering provides our customers cost savings over Truckload with a slightly slower transit speed. We provide these services primarily to our existing Trucking customers, many of whom prefer to rely on a single carrier, or a small group of carriers, to provide all their transportation needs. To date, a majority of the customers of SCS have also engaged us to provide services through one or more of our Trucking service offerings.

Results of Operations

Executive Overview

Base revenue of $111.5 million for the quarter ended June 30, 2013, increased 7.7% from $103.5 million for the same quarter of 2012. We incurred a net loss of $1.4 million ($0.14 per share) for the quarter ended June 30, 2013, compared to a net loss of $3.5 million ($0.34 per share) for the same quarter of 2012.

Base revenue increased 7.5% to $216.3 million for the six months ended June 30, 2013, from $201.3 million for the same period of 2012. We incurred a net loss of $3.9 million ($0.38 per share) for the six months ended June 30, 2013, compared to a net loss of $8.4 million ($0.81 per share) for the same period of 2012.

Operating Environment

Operating margins improved by 340 basis points for the six month period ended June 30, 2013 compared to the same period of the prior year. This improvement was primarily due to a 7.7% base revenue growth across our combined services, while operating costs increased only 3.7% (net of fuel surcharge recoveries). We reduced our net loss by 59.9%, marking our second consecutive quarter of material year-over-year improvement in operating results. We believe our turnaround plan gained traction during the June quarter, extending the year-over-year improvements in base revenue, operating income and net loss we achieved during the March quarter.

Asset-Based Trucking Operations

Our Trucking segment continued to lead the turnaround with a 500 basis point improvement in operating margin for the three month period ended June 30, 2013 compared to the same period of the prior year.

Trucking base revenue increased 13.3% year over year on improved asset productivity (miles per seated tractor per week) and more seated tractors. The improved asset productivity was attributable to better operational execution within a more efficient freight network. The improved miles combined with several internal initiatives helped us reduce driver turnover by 31.2 percentage points, which enabled us to increase our seated tractor count year over year.

While Trucking base revenue grew by 13.3%, Trucking operating costs increased only by 8.2% (net of fuel surcharge recoveries). Fixed costs and fuel costs were materially lower year over year due to the execution of several internal initiatives. Despite those cost improvements, we believe substantial opportunity remains to realize more earnings leverage in our Trucking model in the areas of asset productivity, equipment maintenance, insurance and claims, fuel economy and driver retention. Internal efforts to improve those costs are at various stages of implementation, and we are taking measures that we anticipate will accelerate the pace of progress.

Non-Asset Based Operations

Despite 5.2% less base revenue, our SCS segment produced 8.4% growth in operating income increasing to $2.2 million in the second quarter of 2013 from $2.0 million in the second quarter of 2012. SCS has experienced higher operating margins by reducing fixed costs and more effectively leveraging the leaner operating structure. Gross margin decreased to 14.0% from 15.4% in the same quarter a year ago.

Balance Sheet and Liquidity

We believe our balance sheet and sources of liquidity remain adequate to support our operating needs for the foreseeable future. At June 30, 2013, our outstanding debt, less cash, represented 57.7% of our total capitalization, compared to 55.1% at December 31, 2012. At June 30, 2013, we had approximately $23.0 million of available borrowing capacity, up from $15.2 million at March 31, 2013 (in each case, net of the $18.8 million minimum availability we are required to maintain). For the six months ended June 30, 2013, we incurred net capital expenditures of approximately $24.1 million. Our 2013 operating plan anticipates capital expenditures, net of proceeds on sale of assets, of approximately $23.5 million for the remainder of the year.

Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012

Results of Operations – Combined Services

Total base revenue increased 7.7% to $111.5 million for the quarter ended June 30, 2013 from $103.5 million for the same quarter of 2012. We reported a net loss of $1.4 million ($0.14 per share) for the quarter ended June 30, 2013, compared to a net loss of $3.5 million ($0.34 per share) for the comparable prior year period.

Our effective tax rate was 24.3% for the quarter ended June 30, 2013, compared to 34.3% for the same quarter of 2012. Income tax expense varies from the amount computed by applying the federal tax rate to income before income taxes primarily due to state income taxes, net of federal income tax effect, adjusted for permanent differences, the most significant of which is the effect of the per diem pay structure for drivers. Due to the partially nondeductible effect of per diem payments, our tax rate will vary in future periods based on fluctuations in earnings and in the number of drivers who elect to receive this pay structure.

Results of Operations – Trucking

Relationship of Certain Items to Base Revenue

The following table sets forth the percentage relationship of certain items to base revenue of our Trucking operating segment for the periods indicated. Fuel and fuel taxes are shown net of fuel surcharges.

	Three Months Ended June 30,			
	2013		2012	
Base Trucking revenue	100.0	%	100.0	%
Operating expenses and costs:				
Salaries, wages and employee benefits	39.7		44.1	
Operations and maintenance	16.3		13.5	
Depreciation and amortization	13.2		15.4	
Fuel and fuel taxes	11.8		13.0	
Insurance and claims	8.6		7.4	
Purchased transportation	7.3		7.0	
Operating taxes and licenses	2.1		1.9	
Communications and utilities	1.1		1.3	
Gain on disposal of revenue equipment, net	(0.5)		(1.0)	
Other	4.2		6.2	
Total operating expenses and costs	103.8		108.8	
Operating loss	(3.8)	%	(8.8)	%

Key Operating Statistics:

	Three Months Ended June 30,	
	2013	2012
Operating loss (in thousands) (1)	$ (3,108)	$ (6,324)
Operating ratio (2)	103.8 %	108.8 %
Total miles (in thousands) (3)	56,715	49,594
Empty mile factor	11.8 %	10.9 %
Base revenue per loaded mile	$ 1.629	$ 1.627
Average number of in-service tractors (4)	2,241	2,171
Percentage of in-service tractors unseated	5.6 %	11.6 %
Average number of seated tractors (5)	2,116	1,919
Average miles per seated tractor per week	2,062	1,988
Base Trucking revenue per seated tractor per week	$ 2,961	$ 2,880
Average loaded miles per trip	597	527

(1) Operating loss is calculated by deducting total operating expenses from total revenues.

(2) Operating ratio is based upon total operating expenses, net of fuel surcharge revenue, as a percentage of base revenue.

(3) Total miles include both loaded and empty miles.

(4) Tractors include Company-operated tractors in-service plus tractors operated by independent contractors.

(5) Seated tractors are those occupied by drivers.

Our base Trucking revenue increased 13.3% from $71.8 million to $81.4 million and our operating loss was $3.1 million compared to $6.3 million for the same quarter of 2012. The increase in our base Trucking revenue resulted primarily from our miles per seated tractor per week increasing 3.7% and our average seated tractor count increasing by 10.3%.

Overall, our operating ratio improved by 5.0 percentage points of base revenue to 103.8% from 108.8% as a result of the following factors:

- Salaries, wages and employee benefits expense decreased by 4.4 percentage points of base Trucking revenue predominately due to lower employee benefit costs resulting from more favorable claims experience, and lower non-driver wages due to a smaller non-driver employee head count.

- Operations and maintenance expense increased 2.8 percentage points of base Trucking revenue primarily due to a $3.4 million increase in direct repair costs on tractors and trailers, which arose from our more disciplined preventive maintenance program and improved asset utilization that increased associated repairs. While we expect this expense to remain elevated in the near-term, we believe our equipment maintenance strategy will result in lower long-term direct repair costs.

- Depreciation and amortization expense decreased by 2.1 percentage points of base Trucking revenue primarily due to 13.3% growth in base Trucking revenue with only a 3.0% increase in Company tractors in-service. Depreciation and amortization expense may be affected in the future as equipment manufacturers change prices and if the prices of used equipment fluctuate. We also have a higher percentage of our Company tractors held for sale, and those tractors are no longer being depreciated.

- Fuel and fuel taxes expense decreased 1.2 percentage points of base Trucking revenue. The decrease was primarily due to the recovery of a greater percentage of our fuel costs through fuel surcharge revenue programs with our customers. We experienced higher fuel price discounts relative to market prices for fuel during quarter, and we reduced the number of miles our fleet traveled "out-of-route" for which are not compensated by our customers. Those factors were partially offset by lower fuel economy on our fleet. Fuel costs will continue to be affected in the future by price fluctuations, the terms and collectability of fuel surcharge revenue and the percentage of total miles driven by independent contractors.

- Insurance and claims expense increased 1.2 percentage points of base Trucking revenue primarily due to adverse experience on auto liability losses for both new and existing claims. Our Department of Transportation recordable accident frequencies continue to improve and we would expect insurance and claims expense to decrease over the long term, but they will remain volatile from period-to-period.

- Reduced gains on the disposal of equipment resulted in 0.5 percentage points greater net cost due to fewer sales of our tractors and trailers and reduced gains per sale. The market for used trailers remains strong, but we have experienced softness in the used tractor markets during 2013. If the used equipment market was to soften or we decided to keep our equipment for a longer period of time, gains on disposal of equipment could decrease.

- Other expenses decreased 2.0 percentage points of base Trucking revenue as a result of decreased driver recruiting and training expenses and 13.3% greater base Trucking revenue. Internal driver retention initiatives and increased miles per seated tractor per week resulted in a 31.2 percentage point decrease in our annualized driver turnover rate. The reduced turnover rate, 127 fewer unseated trucks and internal recruiting initiatives enabled us to reduce driver recruiting and training costs by $0.5 million. The market for hiring qualified drivers remains extremely competitive, and we expect long-term costs to increase for recruiting and retention.

Results of Operations – Strategic Capacity Solutions and Intermodal

The following table sets forth certain information relating to our SCS reportable segment for the periods indicated:

	Three Months Ended June 30,	
	2013	2012
Total SCS and Intermodal revenue	$ 36,695	$ 44,895
Intercompany revenue	(1,781)	(8,136)
Total Net revenue	$ 34,914	$ 36,759
Operating income (in thousands)	$ 2,163	$ 1,995
Gross margin (1)	14.0 %	15.4%

(1) Gross margin is calculated by taking total revenue less purchased transportation and dividing that amount by total revenue. This calculation includes intercompany revenue and expenses.

Total net revenue from SCS decreased 5.0% to $34.9 million from $36.8 million, while operating income increased 8.4% to $2.2 million from $2.0 million.

Net revenue in our SCS brokerage service grew 5.0%, but net revenue from our Intermodal service declined by 46.1%. During the first quarter 2013, we completed a transition in our intermodal service from primarily asset-based to asset light model. The new variable-cost model with considerably less fixed expenses produced a small operating profit (compared to a loss of $0.5 million in the second quarter of 2012), but does not yet have the necessary volume to drive meaningful profitability.

The increased operating income was due to improved gross margin (14.1% compared to 15.0%) in our SCS brokerage service, to lower fixed operating costs in our SCS brokerage service resulting from our internal efforts to scale back growth plans in SCS brokerage operations due to a softer than expected marketplace operating environment, and to the improved performance in our Intermodal service.

Six Months Ended June 30, 2013 Compared to Six Months Ended June 30, 2012

Results of Operations – Combined Services

Total base revenue increased 7.5% to $216.3 million for the six months ended June 30, 2013 from $201.3 million for the same quarter of 2012. We reported a net loss of $3.9 million ($0.38 per share) for the six months ended June 30, 2013 as compared to a net loss of $8.4 million ($0.81 per share) for the comparable prior year period.

Our effective tax rate was 29.0% for the six months ended June 30, 2013 compared to 35.0% for the same period of 2012. Income tax expense varies from the amount computed by applying the federal tax rate to income before income taxes primarily due to state income taxes, net of federal income tax effect, adjusted for permanent differences, the most significant of which is the effect of the per diem pay structure for drivers. Due to the partially nondeductible effect of per diem payments, our tax rate will vary in future periods based on fluctuations in earnings and in the number of drivers who elect to receive this pay structure.

Results of Operations – Trucking

Relationship of Certain Items to Base Revenue

The following table sets forth the percentage relationship of certain items to base revenue of our Trucking operating segment for the periods indicated. Fuel and fuel taxes are shown net of fuel surcharges.

	Six Months Ended June 30,			
	2013		2012	
Base Trucking revenue	100.0	%	100.0	%
Operating expenses and costs:				
Salaries, wages and employee benefits	40.5		43.9	
Operations and maintenance	15.1		13.5	
Fuel and fuel taxes	14.2		15.5	
Depreciation and amortization	13.4		14.9	
Purchased transportation	6.8		7.0	
Insurance and claims	7.6		6.9	
Operating taxes and licenses	1.7		1.9	
Communications and utilities	1.1		1.3	
Gain on disposal of revenue equipment, net	(0.5)		(0.9)	
Other	4.5		5.7	
Total operating expenses and costs	104.4		109.7	
Operating loss	(4.4)	%	(9.7)	%

Key Operating Statistics:

	Six Months Ended June 30,	
	2013	2012
Trucking:		
Operating loss (in thousands) (1)	$ (7,086)	$ (14,275)
Operating ratio (2)	104.4%	109.7%
Total miles (in thousands) (3)	111,333	102,953
Empty mile factor	11.4%	11.4%

Base revenue per loaded mile	$ 1.635	$ 1.620
Average number of in-service tractors (4)	2,223	2,201
Percentage of in-service tractors unseated	4.9%	8.7%
Average number of seated tractors (5)	2,115	2,009
Average miles per seated tractor per week	2,036	1,971
Base Trucking revenue per seated tractor per week	2,948	2,829
Average loaded miles per trip	593	527

(1) Operating loss is calculated by deducting total operating expenses from total revenues.
(2) Operating ratio is based upon total operating expenses, net of fuel surcharge revenue, as a percentage of base revenue.
(3) Total miles include both loaded and empty miles.
(4) Tractors include Company-operated tractors in-service plus tractors operated by independent contractors.
(5) Seated tractors are those occupied by drivers.

Our base Trucking revenue increased 9.1% from $147.8 million to $161.2 million and our Trucking operating loss decreased from $14.3 million to $7.1 million. The increase in our base Trucking revenue resulted from a 3.3% increase in miles per seated tractor per week, a 5.3% increase in average seated tractors, and a 0.9% increase in base Trucking revenue per total mile.

Our operating ratio improved by 530 percentage points of base revenue to 104.4% from 109.7% as a result of the following factors:

- Salaries, wages and employee benefits expense decreased by 3.4 percentage points of base revenue primarily due to an 9.1% increase in base Trucking revenue, lower employee benefit and workers compensation costs resulting from more favorable claims experience, and lower non-driver wages.

- Operations and maintenance expense increased 1.6 percentage points of base Trucking revenue primarily due to a $4.2 million increase in direct repair costs on tractors and trailers, which arose from our more disciplined preventive maintenance program that we believe is pulling cost forward from future periods. While we expect this expense to remain elevated in the near-term, we believe our equipment maintenance strategy will result in lower long-term direct repair costs.

- Fuel and fuel taxes expense decreased 1.3 percentage points of base Trucking revenue. The decrease was primarily due to the recovery of a greater percentage of our fuel costs through fuel surcharge revenue programs with our customers. We experienced higher fuel price discounts relative to market prices for fuel, and we reduced the number of miles our fleet traveled "out-of-route" for which we are not compensated by our customers. Those factors were partially offset by lower fuel economy on our fleet. Fuel costs will continue to be affected in the future by price fluctuations, the terms and collectability of fuel surcharge revenue and the percentage of total miles driven by independent contractors.

- Depreciation and amortization expense decreased by 1.5 percentage points of base Trucking revenue primarily due to 9.1% growth in base Trucking revenue with only a 0.9% increase in Company tractors in-service. Depreciation and amortization expense may be affected in the future as equipment manufacturers change prices and if the prices of used equipment fluctuate. We also have a higher percentage of our Company tractors held for sale, and those tractors are no longer being depreciated.

- Insurance and claims expense increased 0.7 percentage points of base Trucking revenue primarily due to adverse experience on auto liability losses for both new claims and adverse loss developments on existing claims. Our Department of Transportation recordable accident frequencies continue to improve and we would expect insurance and claims expense to decrease over the long term, but they will remain volatile from period-to-period. A significant portion of the $2.2 million increase in this expense is associated with a few large claims.

- Reduced gains on the disposal of equipment, and fewer sales of tractors and trailers, increased our net cost by 0.4 percentage points. The market for used trailers remains strong, but we have experienced softness in the used tractor markets during 2013. If the used equipment market was to soften or we decided to keep our equipment for a longer period of time, gains on disposal of equipment could decrease.

- Other expenses decreased 1.3 percentage points of base Trucking revenue as a result of decreased driver recruiting and training expenses and 9.1% greater base Trucking revenue. Internal driver retention initiatives and increased miles per seated tractor per week resulted in a 31.2 percentage point decrease in our annualized driver turnover rate. The reduced turnover rate, 84 fewer unseated trucks and internal recruiting initiatives enabled us to reduce driver recruiting and training costs by $0.9 million. The market for hiring qualified drivers remains extremely competitive, and we expect long-term costs to increase for recruiting and retention.

Results of Operations – Strategic Capacity Solutions and Intermodal

The following table sets forth certain information relating to our SCS reportable segment for the periods indicated:

	Six Months Ended June 30,	
	2013	2012
Total SCS and Intermodal revenue	$ 68,860	$ 76,948
Intercompany revenue	(3,935)	(13,483)
Total net revenue	$ 64,925	$ 63,465
Operating income (in thousands)	$ 3,315	$ 3,310
Gross margin (1)	14.5 %	16.0%

(1) Gross margin is calculated by taking total revenue less purchased transportation and dividing that amount by total revenue. This calculation includes intercompany revenue and expenses.

Total net revenue from SCS increased 2.3% to $64.9 million from $63.5 million, while operating income had a slight increase.

Net revenue in our SCS brokerage service grew 11.2%, but net revenue from our Intermodal service declined by 33.0%. During the first quarter 2013, we completed a transition in our Intermodal service offering from a primarily asset-based to an asset light model. This new variable-cost model with considerably less fixed expenses produced an operating loss of $0.1 million for the first six months of 2013 compared to an operating loss of $0.8 million during the first six months of 2012. We believe our Intermodal model is vastly improved, but does not yet have the necessary volume to drive meaningful profitability.

The increased operating income was due to the improved performance in our Intermodal service, revenue growth in our SCS brokerage service, and lower fixed operating costs in our SCS brokerage service resulting from our internal efforts to scale back growth plans in SCS brokerage operations due to a softer than expected marketplace operating environment.

Seasonality

In the trucking industry, revenue generally decreases as customers reduce shipments during the winter holiday season and as inclement weather impedes operations. At the same time, operating expenses increase due primarily to decreased fuel efficiency and increased maintenance costs. Future revenue could be impacted if customers, particularly those with manufacturing operations, reduce shipments due to temporary plant closings. Historically, many of our customers have closed their plants for maintenance or other reasons during January and July.

Inflation

Most of our operating expenses are inflation sensitive, and we have not always been able to offset inflation-driven cost increases through increases in our revenue per mile and our cost control efforts. The effect of inflation-driven cost increases on our overall operating costs is not expected to be greater for us than for our competitors.

Fuel Availability and Cost

The motor carrier industry is dependent upon the availability of fuel. Fuel shortages or increases in fuel taxes or fuel costs have adversely affected our profitability and will continue to do so. Fuel prices have fluctuated widely, and fuel prices and fuel taxes have generally increased in recent years. We have not experienced difficulty in maintaining necessary fuel supplies. Typically, we are not able to fully recover increases in fuel prices through rate increases and fuel surcharges, primarily because those items do not provide any benefit with respect to empty and out-of-route miles, for which we typically do not receive compensation from customers. We do not have any long-term fuel purchase contracts and we have not entered into any other hedging arrangements that protect us against fuel price increases.

Off-Balance Sheet Arrangements

We do not currently have off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our consolidated financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources. From time to time, we enter into operating leases relating to facilities and office equipment that are not reflected in our balance sheet.

Liquidity and Capital Resources

On August 24, 2012, we entered into a $125.0 million Revolver with Wells Fargo Capital Finance, LLC, as Administrative Agent and PNC Bank, as Syndication Agent. The Revolver, which expires in 2017, is secured by substantially all of our assets, and can be expanded up to $175.0 million, subject to customary conditions and lender participation. Proceeds received under the Revolver were used, in part, to repay the approximately $75.9 million then outstanding under a credit agreement with a different lender.

During the second quarter of 2013, the maximum amount borrowed under the Revolver, including letters of credit, reached approximately 88.9% of the total amount available at its highest point. We ended the quarter with outstanding borrowings, including letters of credit, equal to approximately 78.3% of the total amount available under the Revolver. The maximum amount borrowed and the percentage of the amount available excluded the accordion feature. In January 2013, the Company's Board of Directors authorized the use of up to $45.0 million in new capital leases under existing facilities through 2013, and at June 30, 2013, we had approximately $22.1 million of availability. At June 30, 2013, we had approximately $23.0 million available under our Revolver (net of the $18.8 million minimum availability we are required to maintain). Our balance sheet debt, less cash, represents 57.6% of our total capitalization, and we have no material off-balance sheet debt. Our capital leases currently represent 38.5% of our total debt and carry an average fixed rate of 2.2%. Not only does that provide us with a natural hedge against recent London Interbank Offered Rate ("LIBOR") volatility, but it has also freed up availability on our Revolver. We produced $16.3 million in free cash flow (cash flow from operations less cash used in investing activities) during the second quarter of 2013, which was approximately $11.4 million more than the same period in 2012.

The nature of our business requires significant investments in new revenue equipment. We have financed new tractor and trailer purchases predominantly with cash flows from operations, the proceeds from sales or trades of used equipment, borrowings under our Revolver and capital lease purchase arrangements. We have historically met our working capital needs with cash flows from operations and with borrowings under financing arrangements. We use these financing arrangements to minimize fluctuations in cash flow needs and to provide flexibility in financing revenue equipment purchases. As discussed above, our ability to replace our Revolver could cause a significant change in our sources of liquidity. While we have commitments from equipment financing sources outside our Revolver to fund our purchases of tractors and trailers over the next twelve months, we are dependent on our ability to replace our Revolver to provide the capital necessary to finance our operations, annual debt maturities, lease commitments, letter of credit commitments and capital expenditures over the next twelve months. There can be no assurance, however, that such sources will be sufficient to fund our operations and all expansion plans for the next several years, or that any necessary additional financing and facility renewal will be available, if at all, in amounts required or on terms satisfactory to us.

During the six months ended June 30, 2013, we incurred net capital expenditures of approximately $24.1 million, which included $23.7 million for the purchase of revenue equipment and $0.4 million for facility expansions and other expenditures. We expect our net capital expenditures for the remainder of 2013 will be approximately $23.5 million.

Management is not aware of any known trends or uncertainties that would cause a significant change in our sources of liquidity. We expect our principal sources of capital to be sufficient to finance our operations, annual debt maturities, lease commitments, letter of credit commitments, stock repurchases and capital expenditures over the next twelve months. There can be no assurance, however, that such sources will be sufficient to fund our operations and all expansion plans for the next several years, or that any necessary additional financing will be available, if at all, in amounts required or on terms satisfactory to us, especially in light of our continuing net losses.

If the credit markets erode or we are unable to comply with the requirements of our Revolver, we may not be able to access our current sources of credit and our lenders may not have the capital to fund those sources. We may need to incur additional indebtedness or issue debt or equity securities in the future to refinance existing debt, fund working capital requirements, and for general corporate purposes. As a result of contractions in the credit market, as well as other economic trends in the credit market industry, we may not be able to secure financing for future activities on satisfactory terms, or at all. If we are unsuccessful in obtaining sufficient financing because we are unable to access the capital markets on acceptable terms, it could impact our ability to provide services to our customers and may materially and adversely affect our business, financial results, and results of operations.

Cash Flows

	(in thousands)	
	Six Months Ended June 30,	
	2013	2012
Net cash provided by operating activities	$ 18,832	$ 8,954
Net cash (used in) provided by investing activities	(2,028)	3,778
Net cash (used in) financing activities	(17,679)	(14,761)

Cash generated from operations increased $9.9 million in the first half of 2013 as compared to the same period of 2012, primarily due to the net effect of the following factors:

- A $3.9 million net loss was incurred for the six months ended June 30, 2013 compared to the $8.4 million net loss for the comparable prior year period. This improvement was primarily due to a more robust economy, operational efficiency, and a decrease in the number of unmanned tractors.

- A $0.6 million decrease in depreciation and amortization due to an overall decrease in our revenue equipment counts. As of June 30, 2013, we reduced our total tractor count by 117 units as compared to June 30, 2012, but reduced our trailer count by 484 year over year as part of our plan to reduce the number of trailers because of our investment in trailer tracking devices.

- A $5.0 million increase in cash provided from accounts receivable resulted from increased billing and collection efficiencies.

- A decrease in the change of our deferred tax liability of approximately $2.5 million was due to a smaller loss incurred during the current year.

- A $0.4 million decrease in the gain on disposal of revenue equipment, due to a softer used equipment market. During the first six months of 2013, we sold 112 tractors and 239 trailers as compared to 260 tractors and 216 trailers for the comparable prior year period.

- A $3.2 million decrease in cash used in trade accounts payable and accrued expenses primarily due to the timing of revenue equipment purchases.

- The change in insurance and claims increased $0.8 million primarily due to an increase in reserves on some open claims.

For the six months ended June 30, 2013, net cash used by investing activities was $2.0 million, compared to $3.8 million of cash provided during the same period of 2012. The $5.8 million decrease in cash provided by investing activities primarily resulted from a decrease in proceeds from the sale of property and equipment. Cash used to purchase property and equipment decreased $0.6 million during the first six months of 2013 as compared to the same period of 2012. This decrease was primarily due to the number of tractors and trailers purchased. Through the first six months of 2013, we purchased 201 tractors compared to 215 tractors for the comparable prior year period. For trailers, we purchased 250 units through the first six months of 2013 compared to 100 during the first six months of 2012. Proceeds from the sale of equipment decreased $6.6 million primarily due to a decline in the number of units that were sold. During the first half of 2013, we sold 112 tractors and 239 trailers compared to 260 tractors and 216 trailers during the first half of 2012.

Cash used in financing activities increased $2.9 million for the first half of 2013 compared to the same time period in 2012. We made net repayments on our Revolver of $3.2 million in 2013 compared to $5.1 million in net borrowings in 2012, resulting in an $8.3 million decrease in net borrowings on our Credit Agreement. Borrowings during the six month period ended June 30, 2013 increased $28.3 million compared to the comparable period of the prior year, and were primarily related to the purchase of replacement revenue equipment. Principal payments on long-term debt increased $36.6 million during the six month period ended June 30, 2013 compared to the comparable period of the prior year, primarily due to improved cash flow from operations, as indicated above. Principal payments on capitalized lease obligations decreased $5.5 million during the first half of 2013 compared to the same period of 2012, primarily due to a reduction in the number of leases reaching the end of their contractual term.

Debt

On August 24, 2012, we entered into a $125.0 million Revolver with Wells Fargo Capital Finance, LLC, as Administrative Agent, and PNC Bank, as Syndication Agent. The Revolver, which expires in 2017, is secured by substantially all of our assets, and includes letters of credit not to exceed $15.0 million. In addition, the $125.0 million Revolver has an accordion feature whereby we may elect to increase the size of the Revolver by up to $50.0 million, subject to customary conditions and lender participation. The Revolver is governed by a borrowing base with advances against eligible billed and unbilled accounts receivable and eligible revenue equipment, and has a first priority perfected security interest in all of the business assets (excluding tractors and trailers financed through capital leases and real estate) of the Company. Proceeds from the Revolver were used to pay off the outstanding balance of our credit agreement with a different lender. Proceeds were also used to fund certain fees and expenses associated with the Revolver and will be used to finance working capital, capital expenditures and for general corporate purposes.

The Revolver contains a minimum excess availability requirement equal to 15.0% of the maximum revolver amount (currently $18.8 million) and an annual capital expenditure limit ($71.0 million in 2013 and increases thereafter). If a collateral cushion, referred to as suppressed availability, of at least $30.0 million in excess of the maximum facility size is not maintained, the advance rate on eligible revenue equipment is reduced by 5.0%, and the value attributable to eligible revenue equipment starts to decline in monthly increments. The Revolver contains a total capital expenditure limitation. The Revolver does not contain any financial maintenance covenants.

The Revolver bears interest at rates typically based on the Wells Fargo prime rate or LIBOR, in each case plus an applicable margin. The Base Rate is equal to the greatest of (a) the prime lending rate as publicly announced from time to time by Wells Fargo Bank N.A., (b) the Federal Funds Rate plus 1.0%, and (c) the three month LIBOR Rate plus 1.0%. The Base Rate at December 31, 2012 was 1.5%. The LIBOR Rate is the rate at which dollar deposits are offered to major banks in the London interbank market two business days prior to the commencement of the requested interest period. Most borrowings are expected to be based on the LIBOR rate option. The applicable margin ranges from 2.25% to 2.75% based on average excess availability and at June 30, 2013 it was 2.5%.

The Revolver includes usual and customary events of default for a facility of this nature and provides that, upon the occurrence and continuation of an event of default, payment of all amounts payable under the Revolver may be accelerated, and the lenders' commitments may be terminated. Although there are no negative covenants relating to financial ratios or minimum balance sheet requirements, the Revolver contains certain restrictions and covenants relating to, among other things, dividends, liens, acquisitions and dispositions, outside of the ordinary course of business and affiliate transactions and share repurchases. At June 30, 2013, the Company was in compliance with all of the covenants of the Revolver.

Applicable Margin means, as of any date of determination, the following margin based upon the most recent average excess availability calculation; provided, however, that for the period from the closing date through the testing period ended June 30, 2013, the Applicable Margin was at Level II and at any time that an Event of Default exists, the Applicable Margin shall be at Level III.

Level	Average Excess Availability	Applicable Margin in respect of Base Rate Loans under the Revolver	Applicable Margin in respect of LIBOR Rate Loans under the Revolver
I	≥ $50,000,000	1.25%	2.25%
II	< $50,000,000 but ≥ $30,000,000	1.50%	2.50%
III	< $30,000,000	1.75%	2.75%

We paid a $1.5 million closing fee. In addition, we are required to pay a fee on the unused amount of the Revolver as set forth in the table below, which is due and payable monthly in arrears. For the period from the closing date through June 30, 2013, the unused fee was at Level II.

Level	Average Unused Portion of the Revolver plus Outstanding Letters of Credit	Applicable Unused Revolver Fee Margin
I	> $60,000,000	0.375%
II	< $60,000,000	0.500%

The interest rate on our overnight borrowings under the Revolver at June 30, 2013 was 4.8%. The interest rate including all borrowings made under the Revolver at June 30, 2013 was 2.7%. The weighted average interest rate on our borrowings under the agreements for the year ended June 30, 2013 was 3.1%. A quarterly commitment fee is payable on the unused portion of the credit line and at June 30, 2013, the rate was 0.5% per annum. The Revolver is collateralized by all non-leased revenue equipment having a net book value of approximately $182.1 million at June 30, 2013, and all billed and unbilled accounts receivable. As we reprice our debt on a monthly basis, the borrowings under the Revolver approximate its fair value. At June 30, 2013, we had outstanding $2.7 million in letters of credit and had approximately $23.0 million available under the Revolver (net of the minimum availability we are required to maintain of approximately $18.8 million).

Equity

At June 30, 2013, we had stockholders' equity of $105.6 million and total debt including current maturities of $145.9 million, resulting in a total debt, less cash, to total capitalization ratio of 57.7% compared to 55.1% at December 31, 2012.

Purchases and Commitments

As of June 30, 2013, our capital expenditures forecast, net of proceeds from the sale or trade of equipment, is $23.5 million for the remainder of 2013, approximately $22.1 million of which relates to revenue equipment. We may change the amount of the capital expenditures based on operating performance. Should we further decrease our capital expenditures for tractors and trailers, we would expect the age of our equipment to increase. To the extent further capital expenditures are feasible based on our debt covenants and operating cash requirements, we could use the balance of $1.4 million primarily for property acquisitions, facility construction and improvements and maintenance and office equipment.

We routinely evaluate our equipment acquisition needs and adjust our purchase and disposition schedules from time to time based on our analysis of factors such as freight demand, driver availability and the condition of the used equipment market. During the six months ended June 30, 2013, we incurred net capital expenditures of approximately $24.1 million (excluding approximately $1.4 million of revenue equipment that we took possession of during the first six months of 2013 and have not yet funded). Net capital expenditures during the six months ended June 30, 2013, included $0.4 million for facility expansions and other expenditures.

Critical Accounting Estimates

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. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. Actual results could differ from those estimates, and such differences could be material.

The most significant accounting policies and estimates that affect our financial statements include the following:

- Revenue recognition and related direct expenses based on relative transit time in each period. Revenue generated by our Trucking operating segment is recognized in full upon completion of delivery of freight to the receiver's location. For freight in transit at the end of a reporting period, we recognize revenue pro rata based on relative transit time completed as a portion of the estimated total transit time. Expenses are recognized as incurred.

  Revenue generated by our SCS and Intermodal operating segments is recognized upon completion of the services provided. Revenue is recorded on a gross basis, without deducting third party purchased transportation costs because we have responsibility for billing and collecting such revenue.

  Management believes these policies most accurately reflect revenue as earned and direct expenses, including third party purchased transportation costs, as incurred.

- Estimated useful lives and salvage values for purposes of depreciating tractors and trailers. We operate a significant number of tractors and trailers in connection with our business. We may purchase this equipment or acquire it under leases. We depreciate purchased equipment on the straight-line method over the estimated useful life down to an estimated salvage or trade-in value. We initially record equipment acquired under capital leases at the net present value of the minimum lease payments and amortize it on the straight-line method over the lease term. Depreciable lives of tractors and trailers range from three years to ten years. We estimate the salvage value at the expected date of trade-in or sale based on the expected market values of equipment at the time of disposal.

  We make equipment purchasing and replacement decisions on the basis of various factors, including, but not limited to, new equipment prices, used equipment market conditions, demand for our freight services, prevailing interest rates, technological improvements, fuel efficiency, equipment durability, equipment specifications and driver availability. Therefore, depending on the circumstances, we may accelerate or delay the acquisition and disposition of our tractors and trailers from time to time, based on an operating principle whereby we pursue trade intervals that economically balance our maintenance costs and expected trade-in values in response to the circumstances existing at that time. Such adjustments in trade intervals may cause us to adjust the useful lives or salvage values of our tractors or trailers. By changing the relative amounts of older equipment and newer equipment in our fleet, adjustments in trade intervals also increase and decrease the average age of our tractors and trailers, whether or not we change the useful lives or salvage values of any tractors or trailers. We also adjust depreciable lives and salvage values based on factors such as changes in prevailing market prices for used equipment. We periodically monitor these factors in order to keep salvage values in line with expected market values at the time of disposal. Adjustments in useful lives and salvage values are made as conditions warrant and when we believe that the changes in conditions are other than temporary. These adjustments result in changes in the depreciation expense we record in the period in which the adjustments occur and in future periods. These adjustments also impact any resulting gain or loss on the ultimate disposition of the revenue equipment. Management believes our estimates of useful lives and salvage values have been materially accurate as demonstrated by the insignificant amounts of gains and losses on revenue equipment dispositions in recent periods. However, management will continually review salvage values to assure that book values do not exceed market values.

To the extent depreciable lives and salvage values are changed, such changes are recorded in accordance with the applicable generally accepted accounting principles existing at the time of change.

Effective June 1, 2013, the Company increased the depreciation periods for certain of its owned tractors and reduced the salvage values of those tractors. The depreciation period for single driver tractors was increased from 45 to 60 months, and the salvage value was reduced from 43% to 30% of the purchase price. The depreciation period for team tractors was increased from 36 to 48 months, and the salvage value was reduced from 43% to 40% of the purchase price.

The Company believes that these changes more appropriately reflect the current rates of tractor utilization and accordingly will more reasonably report balance sheet values. This change is being accounted for as a change in estimate which, during the quarter ended June 30, 2013, resulted in a reduction of pre-tax depreciation expense of approximately $0.20 million and approximately $0.13 million ($0.01 per share) on a net of tax basis.

- Estimates of accrued liabilities for claims involving bodily injury, physical damage losses, employee health benefits and workers' compensation. We record both current and long-term claims accruals at the estimated ultimate payment amounts based on information such as individual case estimates, historical claims experience and an estimate of claims incurred but not reported. The current portion of the accrual reflects the amounts of claims expected to be paid in the next twelve months. In making the estimates, we rely on past experience with similar claims, negative or positive developments in the case and similar factors. We do not discount our claims liabilities. See our Claims Liabilities disclosure elsewhere in this report and in our Annual Report on Form 10-K for additional information.

- Stock option valuation. The assumptions used to value stock options are dividend yield, expected volatility, risk-free interest rate, expected life and anticipated forfeitures. As we have not paid any dividends on our Common Stock, the dividend yield is zero. Expected volatility represents the measure used to project the expected fluctuation in our share price. We use the historical method to calculate volatility with the historical period being equal to the expected life of each option. This calculation is then used to determine the potential for our share price to increase over the expected life of the option. The risk-free interest rate is based on an implied yield on United States zero-coupon treasury bonds with a remaining term equal to the expected life of the outstanding options. Expected life represents the length of time we anticipate the options to be outstanding before being exercised. Based on historical experience, that time period is best represented by the option's contractual life. Anticipated forfeitures represent the number of shares under options we expect to be forfeited over the expected life of the options.

- Accounting for income taxes. Our deferred tax assets and liabilities represent items that will result in taxable income or a tax deduction in future years for which we have already recorded the related tax expense or benefit in our consolidated statements of operations. Deferred tax accounts arise as a result of timing differences between when items are recognized in our consolidated financial statements compared to when they are recognized in our tax returns, and from net operating loss carry forwards. Significant management judgment is required in determining our provision for income taxes and in determining whether deferred tax assets will be realized in full or in part. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We periodically assess the likelihood that all or some portion of deferred tax assets will be recovered from future taxable income. To the extent we believe recovery is not probable, a valuation allowance is established for the amount determined not to be realizable. We have not recorded a valuation allowance at June 30, 2013, as all deferred tax assets are more likely than not to be realized.

  We believe that we have adequately provided for our future tax consequences based upon current facts and circumstances and current tax law. During the six months ended June 30, 2013, we made no material changes in our assumptions regarding the determination of income tax liabilities. However, should our tax positions be challenged, different outcomes could result and have a significant impact on the amounts reported through our consolidated statements of operations.

- Prepaid tires. Commencing when the tires, including recaps, are placed into service, we account for them as prepaid expenses and amortize their cost over varying time periods, ranging from 18 to 30 months depending on the type of tire.

- Impairment of long-lived assets. We review our long-lived assets for impairment in accordance with Topic ASC 360, Property, Plant and Equipment. This authoritative guidance provides that whenever there are certain significant events or changes in circumstances the value of long-lived assets or groups of assets must be tested to determine if their value can be recovered from their future cash flows. In the event that undiscounted cash flows expected to be generated by the asset are less than the carrying amount, the asset or group of assets must be evaluated to determine if an impairment of value exists. Impairment exists if the carrying value of the asset exceeds its fair value.

  In light of the sustained general economic downturn in the United States and world economies, the decline in our market capitalization and our net operating losses in recent years, triggering events and changes in circumstances have occurred, which required us to test our long-lived assets for recoverability at June 30, 2013.

  We test for the recoverability of all of our long-lived assets as a single group at the entity level and examine the forecasted future cash flows generated by our revenue equipment, including its eventual disposition, to determine if those cash flows exceed the carrying value of our long-lived assets. At June 30, 2013, we determined that no impairment of value existed.

We periodically reevaluate these policies as circumstances dictate. Together these factors may significantly impact our consolidated results of operations, financial position and cash flow from period to period.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the CEO and CFO, concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective at the reasonable assurance level. There have been no changes in our internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We have confidence in our internal controls and procedures. Nevertheless, our management, including our CEO and CFO, does not expect that our disclosure procedures and controls or our internal controls will prevent all errors or intentional fraud. An internal control system, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of such internal controls are met. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all internal control systems, no evaluation of controls can provide absolute assurance that all our control issues and instances of fraud, if any, have been detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are party to routine litigation incidental to our business, primarily involving claims for personal injury and property damage incurred in the transportation of freight. We maintain insurance to cover liabilities in excess of certain self-insured retention levels. Though management believes these claims to be routine and immaterial to our long-term financial position, adverse results of one or more of these claims could have a material adverse effect on our financial position or results of operations in any given reporting period.

On July 28, 2008, a former commission sales agent, Mr. William Blankenship ("Blankenship"), filed an action in the United States District Court, Western District of Arkansas entitled William Blankenship, Jr. v. USA Truck, Inc., asking the court to set aside a previously consummated settlement agreement between the parties. The matter was dismissed by the District Court based upon our Motion to Dismiss, but was later reinstated by the 8th Circuit Court of Appeals and set for trial in the United States District Court in Fort Smith, Arkansas. In October 2011, the trial was held in the United States District Court and the jury returned a favorable verdict for the Company on all counts and determined that the Company had no additional liability in this matter. On December 13, 2011, the Court entered an order awarding the Company its costs and attorney's fees incurred in defending the case totaling approximately $0.2 million. Blankenship appealed the jury verdict and Court order. On June 27, 2013, the 8th Circuit Court of Appeals entered an order affirming the jury verdict and attorneys' fee award in favor of USA Truck. By order dated July 30, 2013, the 8th Circuit Court of Appeals denied all of Blankenship's requests for further appellate review, effectively ending the litigation.

ITEM 1A. RISK FACTORS

While we attempt to identify, manage, and mitigate risks and uncertainties associated with our business, some level of risk and uncertainty will always be present. Our Form 10-K for the year ended December 31, 2012, in the section entitled Item 1A. Risk Factors, describes some of the risks and uncertainties associated with our business. These risks and uncertainties have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results, and future prospects. We do not believe there have been any material changes in these risks during the six months ended June 30, 2013.

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

(a) Recent unregistered sales of securities.

None.

(b) Use of proceeds from registered sales of securities.

None.

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

On October 21, 2009, our Board of Directors approved the repurchase of up to 2,000,000 shares of our Common Stock which expired on October 21, 2012. Subject to applicable timing and other legal requirements, repurchases could have been made on the open market or in privately negotiated transactions on terms approved by our Chairman of the Board or President. Repurchased shares may be retired or held in treasury for future use for appropriate corporate purposes including issuance in connection with awards under our employee benefit plans. During the six months ended June 30, 2013, we did not repurchase any shares of our Common Stock. Currently, we do not have an approved repurchase authorization. We are currently restricted from purchasing shares without the consent of lenders under our Revolver.

We may reissue repurchased shares under our equity compensation plans or as otherwise directed by the Board of Directors.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits

3.1	Restated and Amended Certificate of Incorporation of the Company as currently in effect (incorporated by reference to Exhibit 3.1 to the Company’s quarterly report for the quarter ended March 31, 2013).
3.2	Amended Bylaws of the Company as currently in effect (incorporated by reference to Exhibit 3.2 to the Company’s quarterly report on Form 10-Q for the quarter ended June 30, 2011).
3.3	Certificate of Amendment to Certificate of Incorporation of the Company filed March 17, 1992 (incorporated by reference to Exhibit 3.3 to Amendment No. 1 to the Form S-1 filed with the Securities and Exchange Commission on March 19, 1992).
3.4	Certificate of Amendment to Certificate of Incorporation of the Company filed April 29, 1993 (incorporated by reference to Exhibit 5 to the Company’s Registration Statement on Form 8-A/A filed with the Securities and Exchange Commission on June 2, 1997 [the “Form 8-A/A”]).
3.5	Certificate of Amendment to Certificate of Incorporation of the Company filed May 13, 1994 (incorporated by reference to Exhibit 6 to the Form 8-A/A).
3.6	Certificate of Amendment to Certificate of Incorporation of the Company dated May 3, 2006 (incorporated by reference to Exhibit 3.6 to the Company’s quarterly report on Form 10-Q for the quarter ended June 30, 2012).
3.7	Certificate of Designations of Series A Junior Participating Preferred Stock of the Company (incorporated by reference to Exhibit 3.1 to the Company's Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2012).
4.1	Specimen certificate evidencing shares of the Common Stock, $.01 par value, of the Company (incorporated by reference to Exhibit 4.1 to the Form S-1).
4.2	Restated and Amended Certificate of Incorporation of the Company as currently in effect (incorporated by reference to Exhibit 4.2 to the Company’s quarterly report for the quarter ended March 31, 2013).
4.3	Amended Bylaws of the Company as currently in effect (incorporated by reference to Exhibit 3.2 to the Company’s quarterly report on Form 10-Q for the quarter ended June 30, 2011).
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		to the Form 8-A/A).
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4.7		Certificate of Amendment to Certificate of Incorporation of the Company filed May 3, 2006 (incorporated by reference to Exhibit 3.6 to the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2012).
4.8		Instruments with respect to long-term debt not exceeding 10.0% of the total assets of the Company have not been filed. The Company agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.
4.9		Rights Agreement, dated November 12, 2012, by and between the Company and Registrar and Transfer Company, as Rights Agent (incorporated by reference to Exhibit 4.1 to the Company's Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 2012).
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.
32.1	#	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	#	Certification of Chief Financial Officer 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 Label Linkbase Document.
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document.

References:

*	In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed."
#	Filed 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 thereunto duly authorized.

USA Truck, Inc.
(Registrant)

Date: August 14, 2013	By:	/s/ John M. Simone John M. Simone President and Chief Executive Officer

INDEX TO EXHIBITS
USA TRUCK, INC.

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*	In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be “furnished” and not “filed.”
#	Filed herewith.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
USA TRUCK, INC.

I, John M. Simone, Principal Executive Officer of USA Truck, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of USA Truck, Inc.;

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 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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 14, 2013

By:/s/ John M. Simone
John M. Simone
Principal Executive Officer

A signed original of this written statement required by Section 302 has been provided to USA Truck, Inc. and will be retained by USA Truck, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
USA TRUCK, INC.

I, Clifton R. Beckham, Principal Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of USA Truck, Inc.;

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 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 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 14, 2013

By:/s/ Clifton R. Beckham
Clifton R. Beckham
Principal Financial Officer

A signed original of this written statement required by Section 302 has been provided to USA Truck, Inc. and will be retained by USA Truck, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with this quarterly report on Form 10-Q of USA Truck, Inc. (the “Company”) for the period ended June 30, 2013 (the “Report”), I, John M. Simone, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2013

By:/s/ John M. Simone
John M. Simone
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to USA Truck, Inc. and will be retained by USA Truck, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with this quarterly report on Form 10-Q of USA Truck, Inc. (the “Company”) for the period ended June 30, 2013 (the “Report”), I, Clifton R. Beckham, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2013

By:/s/Clifton R. Beckham
Clifton R. Beckham
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to USA Truck, Inc. and will be retained by USA Truck, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.