USA TRUCK®

Capacity Solutions

2017 Annual Report

Corporate Information

This annual report and the statements contained herein are submitted for the general information of the stockholders of the Company and are not intended to induce any sale or purchase of securities or to be used in connection therewith.

Home Office
3200 Industrial Park Road
Van Buren, AR 72956
Telephone: (479) 471-2500

Annual Meeting
May 16, 2018
10 a.m. Central Daylight Time (CDT)
USA Truck, Inc.
3200 Industrial Park Road
Van Buren, AR 72956

Independent Registered Public Accounting Firm
Grant Thornton LLP
2431 E. 61st Street, Suite 500
Tulsa, OK 74136

Transfer Agent and Registrar
Continental Stock Transfer and Trust Company
One State Street, 30th Floor
New York, NY 10004-1561
Telephone: 800-509-5586

Common Stock
Traded on the Nasdaq
Global Select Market under
the Symbol: USAK

Website
usa-truck.com

On February 28, 2018, the Company filed its Sarbanes-Oxley Section 302 Certifications as exhibits to the Company's Annual Report on Form 10-K for the period ended December 31, 2017.

Upon written request of any shareholder, the Company will furnish without charge a copy of the Company's 2017 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, including the financial statements and schedules thereto. The written request should be sent to Jason R. Bates, Chief Financial Officer of the Company, at the Company's executive offices, 3200 Industrial Park Road, Van Buren, Arkansas 72956. The written request must state that as of March 22, 2018, the person making the request was a beneficial owner of shares of the common stock of the Company.

Whistleblower Hotline
To confidentially report issues of theft or fraud, contact AuditCommittee@usa-truck.com or call 800-326-9847.

USA Truck Stockholders:

"USA is Back" — what a refreshing refrain, one that we're using in 2018 to convey to our employees, our customers, and our shareholders a strong and consistent message: That USA Truck is back to being profitable, is back to aspiring for excellence, and back to consistently operating one of the best transportation companies in North America.

What does our 2018 slogan NOT represent? It does not represent that we're done with our progress, that we've achieved our long-term goals, that we've met stakeholder expectations, or that our results reflect our potential. Because we're just getting started.

We made significant progress in 2017 that is worth noting:

- We built one of the best leadership teams in the business
- We delivered 2H'17 positive EPS and 4Q consolidated adjusted OR of 95
- Our stock was up 108% in the year and has been on an upward rise again in 2018

As we move ahead in 2018 and beyond, our goal remains what we've said before, that a new day has arrived, that we expect to win, and that the only way we do that is together, as a team. Our team is working to win every day, in every interaction, in every pursuit so that we can deliver on the promise to all our stakeholders — to meet and exceed their expectations.

Business Overview

The tone has changed with our employees, and the business responded.

We will always focus on making "Safety. First. Foremost. Forever." a way of life and a habit for which every single team member is responsible. In support of that ideal, 2018 is the first year where a portion of both driver and non-driver variable compensation at all levels in the company will have a company safety component. We also completed the full fleet installation of in-cab event recorders as a training tool to aid in better driver coaching and risk-based analysis while reducing and managing the risk of accidents.

Accountability remains the rule of the day. We keep score every day; we communicate expectations and progress with regular company-wide communications; we hold each other accountable in our daily interactions, and above all, we work together to give our drivers the best experience in trucking. Our newly assembled team has made an immediate impact in a heightened level of engagement, challenging of the status quo, and creating results.

We have consistently stated our approach to the business strategy: That we will raise price (Rate) and seat tractors as a means to drive business results. That resulted in 2017 4Q results ending on high notes in rate — up 20.1% YoY – the best in our industry; base revenue per seated truck up $487 / 16.1% YoY, and unseated trucks ending the year at 5.5% — a 40% improvement YoY.

Logistics responded as well with YoY improvement for the full year of $10M in operating revenue and $1M in gross margin. This was significant in reversing the 3-year trend of shrinking this business.

Trucking will continue to be core to our strategy. As a strong asset-based carrier we create opportunities to support our asset-light businesses, control our destiny in a tightening capacity market, and design solutions for customers and drivers that allow us to maximize return. We aspired last year to improve network profitability by driving 'densification,' and found the first signs of driver and cost economies of scale that we had hoped for. That will continue to be our focus in 2018 – we are a 'network first' carrier, and that translates to customers in the form of, "we only bid freight that we believe we can reliably service." And the customers have frequently responded with statements like, "Finally, USA Truck has a strategy. Thank-you."

USAT Logistics has got to grow market share in 2018. As we have said before, we rely on having assets to give us market credibility and weight to our logistics business; they are complementary businesses in our opinion. We are continuing to adapt to market dynamics by changing compensation structures and internal processes to align with our goals.

2017 — Lessons Learned, Just the Beginning

2017 was the year when our key constituents began to have hope in the future. Sure, the market dynamics shifted considerably with the initial implementation of Electronic Logging Devices (ELD's), strengthening underlying economic demand-side conditions, and tightening supply-side economics. But USA Truck closed the gap vs. the competition in virtually every financial and operational metric — and that is reason for hope. And yet, as someone once said, "hope is not a strategy," and I would add as my Mother taught us, "the pathway to hell (and I'll add, the path to sub-optimal profitability) is paved with good intentions." Our constituents should all still be disappointed with our results — despite our 'intentions' USA Truck is still not where it should be from a financial return standpoint.

We believe we are better positioned now than ever because of the team we've assembled, the early returns we're seeing in the financial and operating results, and perhaps most importantly: that our people now are performing better than even they imagined a year ago … and yet are still dissatisfied with our progress and relative performance. We learned as an organization that the team is learning to hate losing — and THAT is an attribute that all winning cultures possess.

2018 and Beyond

We were able to add a high profile roster of leaders in 2017 — all who relocated to Western Arkansas in pursuit of our common goal to be the employer, carrier, and investment people can be proud of. That may sound insignificant until one realizes that this is a new phenomenon. Many of our past leaders were not in the community full time, and that had an undeniable impact on the psyche of the organization. Well now that's a condition of employment — these marquee names in our industry are physically in Western Arkansas to help lead this company toward its potential.

As we move ahead in 2018 and beyond, our commitment to all our stakeholders remains, that we are here and wholly committed to the success of USA Truck. We are all giving every bit of energy, focus, and passion we have to our collective success. There continues to be change in the organization as our heightened resolve, experience, and process discipline identifies improvement areas daily. We just have so much to improve in both the short and long-term horizons. 2018 is setting up to be a critical year in the trajectory the company will take in the getting back to our place in the ranks of the industry's best performers.

We thank you for trusting this team and for your support in making USA Truck a company you can be proud of. Many of our shareholders are new to USA Truck in 2017, and we hope our improved results and long-term strategy continue to evoke hope in the future and deliver progress on your, and all stakeholders', expectations.

Thanks again, and don't forget that "We Win Together" but also … that USA is Back! And we think that will manifest itself clearly in the marketplace as we deliver on our business plan.

James D. Reed
President, Chief Executive Officer, and Director

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

1-35740
(Commission file number)

USA Truck, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**71-0556971**
(State or other jurisdiction of incorporation)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 Par Value	**The NASDAQ Stock Market LLC (NASDAQ Global Select Market)**

Securities registered pursuant to Section 12(g) of the Act
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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

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

Large Accelerated Filer____ Accelerated Filer [X] Non-Accelerated Filer ____ Smaller Reporting Company ____
Emerging Growth Company ____ (Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 aggregate market value of the common equity held by non-affiliates of the Registrant (assuming for these purposes that all executive officers, directors, and affiliated holders of more than 10% of the Registrant's outstanding common stock are "affiliates" of the Registrant) as of June 30, 2017, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately $68,032,891 (based on the closing sale price of the Registrant's common stock on that date as reported by Nasdaq).

As of February 23, 2018, 8,288,769 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

USA TRUCK, INC.

TABLE OF CONTENTS

Item No.	Caption	Page
	PART I	
1.	Business	3
1A.	Risk Factors	11
1B.	Unresolved Staff Comments	26
2.	Properties	26
3.	Legal Proceedings	27
4.	Mine Safety Disclosures	27
	PART II	
5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	27
6.	Selected Financial Data	28
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	30
7A.	Quantitative and Qualitative Disclosure About Market Risk	44
8.	Financial Statements and Supplementary Data	45
9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	66
9A.	Controls and Procedures	66
9B.	Other Information	69
	PART III	
10.	Directors, Executive Officers and Corporate Governance	69
11.	Executive Compensation	69
12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	69
13.	Certain Relationships and Related Transactions, and Director Independence	69
14.	Principal Accountant Fees and Services	69

Part I.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K for the year ended December 31, 2017 (this "Form 10-K") 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, (the "Exchange Act") 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, revenue, costs or other financial items;*
- *any statement of projected future operations or processes;*
- *any statement of plans, strategies, goals, and objectives of management for future operations;*
- *any statement concerning proposed new services or developments;*
- *any statement regarding future economic conditions or performance; and*
- *any statement of belief and any statement of assumptions underlying any of the foregoing.*

In this Form 10-K, statements relating to:

- *future driver market,*
- *future ability to grow market share,*
- *future driver and customer-facing employee compensation,*
- *future ability and cost to recruit and retain drivers and customer-facing employees,*
- *future asset utilization,*
- *the amount, timing and price of future acquisitions and dispositions of revenue equipment, size and age of the Company's fleet, mix of fleet between company-owned and independent contractors and anticipated gains or losses resulting from dispositions,*
- *future depreciation and amortization expense, including useful lives and salvage values of equipment,*
- *future safety performance,*
- *future profitability,*
- *future industry capacity,*
- *future effects of restructuring actions,*
- *future deployment of technology, including front and inside-facing event recorders,*
- *future pricing rates and freight network,*
- *future fuel prices and surcharges, fuel efficiency and hedging arrangements,*
- *future insurance and claims and litigation expense,*
- *future salaries, wages and employee benefits costs,*
- *future purchased transportation use and expense,*
- *future operations and maintenance costs,*
- *future USAT Logistics growth and profitability,*
- *future asset sales of non-revenue assets,*
- *future impact of regulations, including enforcement of the ELD mandate,*
- *future use of derivative financial instruments,*
- *our strategy,*
- *our intention about the payment of dividends,*
- *inflation,*
- *future indebtedness,*
- *future liquidity and borrowing availability and capacity,*
- *the impact of pending and future litigation and claims,*
- *future availability and compliance with covenants under our revolving credit facility,*
- *expected amount and timing of capital expenditures,*
- *expected liquidity and sources of capital resources, including the mix of capital and operating leases,*
- *future size of our independent contractor fleet, and*
- *future income tax rates*

among others, are forward-looking statements. Such statements may be identified by their use of terms or phrases such as "expects," "estimates," "projects," "believes," "anticipates," "focus," "intends," "plans," "goals," "may," "if," "will," "should," "could," "potential," "continue," "future" and similar 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 1A., Risk Factors." Readers should review and consider the factors discussed under the heading "Risk Factors" in Item 1A of this Form 10-K, along with various disclosures in our press releases, stockholder reports, and other filings with the Securities and Exchange Commission (the "SEC").

All such forward-looking statements speak only as of the date of this Form 10-K. 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, except as required by law.

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.

Item 1. *BUSINESS*

General

USA Truck is one of the nation's top 30 truckload carriers when measured by operating revenue, as determined by Transport Topics' most recent annual ranking. In 2017, the Company generated $446.5 million in consolidated operating revenue. As of December 31, 2017, the Company's fleet consisted of 1,669 tractors, which included 247 independent contractor tractors, and 5,596 trailers.

USA Truck is headquartered in Van Buren, Arkansas, with trucking facilities concentrated in the eastern half of the United States for density and efficiency. Asset-light operations provide services across North America. The Company transports commodities throughout the contiguous United States and into and out of portions of Canada. USA Truck also transports general commodities into and out of Mexico by offering through-trailer service from its terminal in Laredo, Texas. In addition to truckload and dedicated freight service offerings, the Company provides freight brokerage, logistics, and rail intermodal service offerings through its logistics segment.

The Company has two reportable segments: (i) Trucking, consisting of the Company's truckload and dedicated freight service offerings, and (ii) USAT Logistics, consisting of the Company's freight brokerage and rail intermodal service offerings. The Company's Trucking segment transports customer freight over irregular routes utilizing equipment owned by either the Company or independent contractors as a medium to long-haul common carrier. Our dedicated freight services provide similar freight transport services, but do so pursuant to agreements whereby the Company makes equipment available to a specific customer for shipments over particular routes at specified times, typically over a multi-year period. USAT Logistics provides services which complement USA Truck's Trucking services. For 2017, USAT Logistics represented approximately 32% of USA Truck's consolidated operating revenue, up from approximately 30% during both 2016 and 2015, and we expect to continue to grow this segment. Financial information regarding these segments and assets and revenues relating to foreign operations is provided in the notes to the consolidated financial statements in Part II, Item 8 of this Form 10-K.

Operations

The Company focuses marketing efforts on customers who have consistent shipping needs within USA Truck's primary operating areas, which are predominantly located in the eastern half of the United States. This focused operating area for Trucking, nationwide service for USAT Logistics, and cross-marketing of service offerings permits the strategic positioning of available equipment and allows the Company to provide its customers with a full

array of supply chain transportation solutions. More than 95 of the Company's top 100 customers utilized more than one of the Company's service offering in 2017. In addition, USA Truck team members have cultivated a thorough understanding of the needs of shippers in key industries. The Company believes this helps it develop long-term, service-oriented relationships with its customers.

USA Truck has a diversified freight and customer base. During 2017, one customer, Walmart Inc., accounted for more than 10% of the consolidated operating revenues. USAT Logistics is also dependent upon a single customer for more than 10% of their operating revenue. The Company's largest 10 customers comprised approximately 44% of the Company's consolidated operating revenue. Overall, the Company provided service to more than 900 customers in 2017 across all USA Truck service offerings.

While the Company prefers direct relationships with customers, some high volume shippers require their carriers to conduct business with a designated third party logistics provider. Obtaining shipments through other providers of transportation or logistics services is a significant opportunity that allows the Company to provide services for high-volume shippers to which it might not otherwise have access.

During 2017, receivables collection averaged approximately 46 days from the invoice date, compared to an average of approximately 47 days and 38 days during 2016 and 2015, respectively. Factors contributing to the slight decrease in days to collection in 2017 were the result of more thorough invoicing and collections processes being implemented by our accounts receivable team, offset by customers continuing to push for longer payment terms.

While the Company primarily operates in the eastern half of the United States, it does provide services into and out of Mexico and Canada. During 2017, 2016 and 2015 approximately 8%, 9% and 8%, respectively, of the Company's operating revenue was generated in Mexico and Canada. All foreign revenue is collected in United States dollars, and all Company-owned tractors are domiciled in the United States. The Company does not separately track domestic and foreign long-lived assets, as substantially all of the Company's long-lived assets are, and have been for the last three fiscal years, located within the United States.

The Company's Trucking segment is supported primarily by driver managers, load planners and customer service representatives. These teams monitor the location of equipment and direct its movement in a safe, efficient and practicable manner. Each driver manager leads a team of professional drivers and is their primary company contact. Load planners assign all available units to loads in a manner intended to maximize profit and minimize costs. Customer service representatives work to fulfill shippers' needs, solicit freight, and ensure on-time delivery by monitoring load movement. The Company strives to operate a safe and productive fleet while achieving superior customer service.

The USAT Logistics segment has a network of both regional and national sales offices located throughout the continental United States as well as an office in central Mexico. We believe that regionalization allows greater market insight and strengthens relationships with customers and carriers alike while capitalizing on the skills of the leaders managing these centers. The specific locations of branch offices are selected for the availability of talent in those markets. USAT Logistics employed approximately 100 people as of December 31, 2017. Most of the USAT Logistics team interacts directly with customers and carriers, matching customers' freight needs with available third-party capacity in the marketplace.

Revenue Equipment

The Company operates its tractor fleet in a way that is intended to promote safe driving operations, attract drivers, and reduce operating and maintenance costs. The following table shows the number of Company-owned and leased tractors and trailers by model year as of December 31, 2017:

Model Year:	Tractors[1][2]	Trailers
2018	**40**	**399**
2017	**310**	**844**
2016	**398**	**1,538**
2015	**294**	**498**
2014	**246**	**396**
2013	**134**	**298**
2012	**--**	**--**
2011	**--**	**2**
2010	**--**	**387**
2009	**--**	**423**
2008	**--**	**544**
2007	**--**	**262**
2006 and earlier	**--**	**5**
Total	**1,422**	**5,596**

(1) Excludes 247 independent contractor tractors.
(2) Includes 508 tractors financed by operating leases and 675 tractors financed by capital leases.

The average age of the Company's tractor fleet was approximately 3.0 years at December 31, 2017. The Company's equipment purchase and replacement decisions are based on a number of factors, including but not limited to, new equipment prices, the used equipment market, trade-in values, demand for freight services, prevailing interest rates, the attractiveness of lease terms, technological improvements, regulatory changes, cost per mile, fuel efficiency, equipment durability, equipment specifications and driver comfort. Therefore, depending on the circumstances, the Company may accelerate or delay the acquisition and disposition of its tractors or trailers from time to time, or may choose to acquire revenue equipment through operating leases or on-balance sheet financing.

To simplify driver and mechanic training, control the cost of spare parts and tire inventory, and provide for a more efficient vehicle maintenance program, the Company purchases tractors and trailers manufactured to its specifications. The Company has in place a preventive maintenance program intended to minimize equipment downtime and maintenance costs.

The Company finances the purchase of revenue equipment through its cash flows from operations, revolving credit agreement, capital lease arrangements, operating lease arrangements and proceeds from sales or trades of used equipment. Substantially all of the Company's tractors and trailers are pledged to secure its obligations under financing arrangements.

All Company and independent contractor tractors are equipped with in-cab communication technology, enabling two-way communications between the Company and its drivers, through both standardized and freeform messaging, including electronic logging. The Company also has installed automatic on board recording devices ("AOBRs") on 100% of its tractor fleet. This technology enables USA Truck to dispatch drivers efficiently in response to customers' requests, to provide real-time information to customers about the status of their shipments and to provide documentation supporting accessorial charges. Accessorial charges are charges to customers for additional services such as loading, unloading and detainment or equipment delays. In addition, the Company utilizes satellite-based equipment tracking devices and cargo sensors on the majority of its trailers. These tracking devices provide the Company with visibility on the locations and load status of its trailers. The Company also anticipates completing the installation of forward-facing and in-ward facing event recorders on all of the Company's tractor fleet in the first quarter of 2018.

Safety and Risk Management

The Company emphasizes safe work habits as a core value throughout the entire organization, and provides proactive training and education relating to safety concepts, processes and procedures. The Company conducts pre-employment, random, reasonable suspicion and post-accident alcohol and substance abuse testing in accordance with the Department of Transportation ("DOT") regulations and the Company's own policies.

Safety training for new drivers begins in orientation, when newly hired team members are taught safe driving and work techniques that emphasize the Company's commitment to safety. Upon completion of orientation, new student drivers are required to undergo on-the-road training for four to six weeks with experienced commercial motor vehicle drivers who have been selected for their professionalism and commitment to safety and who are trained to communicate safe driving techniques to new drivers. New drivers who graduate from the program must also successfully complete post-training classroom and road testing before being assigned to their own tractor. Additionally, all Company drivers participate in on-going training that focuses on collision and injury prevention, among other safety concepts.

The primary risks for which the Company is insured are cargo loss and damage, general liability, personal injury, property damage, workers' compensation and employee medical expenses. USA Truck is also self-insured for a portion of claims exposure in each of these areas. The Company's 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 the Company's year-to-date claims experience and its number of covered team members. The Company maintains insurance above the amounts for which it self-insures, subject to certain limits, with licensed insurance carriers. The Company has excess general, auto and employer's liability coverage in amounts substantially exceeding minimum legal requirements. The Company is completely self-insured for physical damage to its own tractors and trailers, except that the Company carries catastrophic physical damage coverage to protect against natural disasters.

Although the Company believes the aggregate insurance limits should be sufficient to cover reasonably expected claims, it is possible that one or more claims could exceed the Company's aggregate coverage limits. An unexpected loss or changing conditions in the insurance market could adversely affect premium levels or result in our inability to find excess coverage in amounts we deem sufficient. As a result, the Company's insurance and claims expense could increase, or USA Truck could raise its self-insured retention or decrease the Company's aggregate coverage limits when its policies are renewed or replaced. If these costs increase, if reserves are increased, if we become unable to find excess coverage in amounts we deem sufficient, if claims in excess of coverage limits are experienced, or if a claim is experienced where coverage is not provided, the Company's results of operations and financial condition in any one quarter or annual period could be materially and adversely affected.

Team Members

As of December 31, 2017, the Company had approximately 2,000 team members, of which approximately 72% were Company drivers. No team members are subject to union contracts or part of a collective bargaining unit. The Company believes team member relations to be good.

Recruitment, training, and retention of a professional driver workforce, the Company's most valuable asset, are essential to the Company's continued growth and fulfillment of customer needs. USA Truck hires qualified professional drivers who hold a valid commercial driver's license, satisfy applicable federal and state safety performance and measurement requirements, and meet USA Truck's hiring criteria. These guidelines relate primarily to safety history, road test evaluations, and various other evaluations, which include physical examinations and mandatory drug and alcohol testing. In order to attract and retain safe drivers who are committed to customer service and safety, the Company focuses its operations for drivers around a collaborative and supportive team environment. The Company provides comfortable, late model equipment, direct communication with senior management, competitive wages and benefits, and other incentives intended to encourage driver safety, retention, and long-term employment. The Company values its relationship with its drivers and structures its driver retention model with a focus on a long-term career with USA Truck. Drivers are compensated on a per mile basis, based on the length of haul and a predetermined number of miles. Drivers are also compensated for accessorial services provided to customers. Drivers and other employees are encouraged to participate in the Company's 401(k) program, and Company-sponsored health, life, and dental plans. The Company believes these factors help in attracting, recruiting, and retaining professional drivers in a competitive driver market.

Independent Contractors

In addition to Company drivers, USA Truck enters into contracts with independent contractors, who provide a tractor and a driver and are responsible for all operating expenses in exchange for an agreed upon fee structure. As of December 31, 2017, the Company had contracts with 247 independent contractors, which comprises

approximately 16% of the professional driving fleet. In the near term, the Company's goal is for independent contractors to comprise approximately 15% to 25% of its fleet.

Competition

The trucking industry includes both private fleets and for-hire carriers. Private fleets consist of trucks owned and operated by shippers that move their own goods. For-hire carriers include both truckload and Less-than-Truckload operations. The for-hire segment is highly competitive and includes thousands of carriers, none of which controls a meaningful share of the market. This segment is characterized by many small carriers having revenues of less than $1 million per year and as few as one truck, and relatively few carriers with revenues exceeding $100 million per year.

USA Truck competes primarily with other truckload carriers, private fleets and, to a lesser extent, railroads and Less-than-Truckload carriers. The principal competitive factors in the truckload segment of the industry are service and price, with rate discounting becoming particularly important during economic downturns or periods of uncertainty. USA Truck's focus is to differentiate itself primarily on the basis of service rather than rates. Although an increase in the size of the market would benefit all truckload carriers, management believes that successful carriers are likely to grow market share by providing multiple service offerings, combined with superior customer service, at an equitable price.

Environmental Regulation

In August 2011, the National Highway Traffic Safety Administration ("NHTSA") and the Environmental Protection Agency ("EPA") adopted final rules that established the first-ever fuel economy and greenhouse gas standards for medium and heavy-duty vehicles, including the tractors the Company employs (the "Phase 1 Standards"). The Phase 1 Standards apply to tractor model years 2014 to 2018 and require the achievement of an approximate 20 percent reduction in fuel consumption by the 2018 model year, which equates to approximately four fewer gallons of fuel used for every 100 miles traveled. In addition, in February 2014, President Obama announced that his administration would begin developing the next phase of tighter fuel efficiency and greenhouse gas standards for medium and heavy-duty tractors and trailers (the "Phase 2 Standards"). In October 2016, the EPA and NHTSA published the final rule mandating that the Phase 2 Standards will apply to trailers beginning with model year 2018 and tractors beginning with model year 2021. The Phase 2 Standards require nine percent and 25 percent reductions in emissions and fuel consumption for trailers and tractors, respectively, by 2027. The Company believes these requirements could result in increased new tractor and trailer prices and additional parts and maintenance costs required to retrofit its tractors and trailers with technology to achieve compliance with such standards, which could adversely affect its operating results and profitability, particularly if such costs are not offset by potential fuel savings. The Company cannot predict, however, the extent to which its operations and productivity will be impacted. In October 2017, the EPA announced a proposal to repeal the Phase 2 Standards as they relate to gliders (which mix refurbished older components, including transmissions and pre-emission-rule engines, with a new frame, cab, steer axle, wheels, and other standard equipment). Additionally, implementation of the Phase 2 Standards as they relate to trailers has been delayed due to a provisional stay granted in October 2017 by the U.S. Court of Appeals for the District of Columbia, which is overseeing a case against the EPA by the Truck Trailer Manufacturers Association, Inc. regarding the Phase 2 Standards. If the trailer provisions of the Phase 2 Standards are permanently removed, the Company expects that Phase 2 Standards would have a reduced effect on its operations.

The California Air Resources Board ("CARB") also adopted emission control regulations that will apply to all heavy-duty tractors that pull 53-foot or longer box-type trailers within the State of California. The tractors and trailers subject to these CARB regulations must be either EPA SmartWay certified or equipped with low-rolling resistance tires and retrofitted with SmartWay-approved aerodynamic technologies. The Company currently purchases SmartWay certified equipment in its new tractor and trailer acquisitions. In addition, in February 2017 CARB proposed California phase 2 standards that generally align with the federal standards which apply to model year 2018 to 2021 tractors, with some minor additional requirements, and as proposed would stay in place even if the federal standards are affected by action from President Trump's administration. CARB has announced it plans to bring a formal proposal to its Board in early 2018. We will continue monitoring our compliance with the CARB regulations. Federal and state lawmakers also have proposed potential limits on carbon emissions under a variety of climate-change proposals. Compliance with such regulations has increased the cost of our new tractors, may increase the cost of any new trailers that we will operate in California, may require us to retrofit certain of our pre-2011 model year trailers that operate in California, and could impair equipment productivity and increase our

operating expenses, including with respect to our Plus Power fleet. These adverse effects, combined with the uncertainty as to the reliability of the newly designed diesel engines and the residual values of these vehicles, could materially increase our costs or otherwise adversely affect our business or operations.

In order to reduce exhaust emissions, some states and municipalities have begun to restrict the locations and amount of time where diesel-powered tractors may idle. These restrictions could force the Company to purchase on-board power units that do not require the engine to idle or to alter its drivers' behavior, which could result in a decrease in productivity, or increase in driver turnover.

The Company's terminals often are located in industrial areas where groundwater or other forms of environmental contamination may have occurred or could occur. The Company's operations involve the risks of fuel spillage or seepage, environmental damage, and hazardous waste disposal, among others. Certain of the Company's facilities have waste oil or fuel storage tanks and fueling islands and one leased facility has below-ground bulk fuel storage tanks. A small percentage of the Company's freight consists of low-grade hazardous substances, which subjects it to a wide array of regulations. The Company has instituted programs to monitor and control environmental risks and promote compliance with applicable environmental laws and regulations; however, if (i) the Company is involved in a spill or other accident involving hazardous substances; (ii) there are releases of hazardous substances the Company transports; (iii) soil or groundwater contamination is found at the Company's facilities or results from its operations; or (iv) the Company is found to be in violation of or fails to comply with applicable environmental laws or regulations, then it could be subject to clean-up costs and liabilities, including substantial fines or penalties or civil and criminal liability, any of which could have a material adverse effect on the Company's business and results of operations.

Other Regulation

The Company's operations are regulated and licensed by various United States federal and state, Canadian provincial, and Mexican federal agencies. Interstate motor carrier operations are subject to safety requirements prescribed by the DOT. Matters such as weight and equipment dimensions are also subject to United States federal and state regulation and Canadian provincial regulations. The Company operates in the United States pursuant to operating authority granted by the DOT, in various Canadian provinces pursuant to operating authority granted by the Ministries of Transportation and Communications in such provinces, and within Mexico pursuant to operating authority granted by Secretaria de Comunicaciones y Transportes. To the extent that the Company conducts operations outside the United States, it is subject to the Foreign Corrupt Practices Act, which prohibits United States companies and their intermediaries from bribing foreign officials for the purpose of obtaining or retaining favorable treatment.

The DOT, through the Federal Motor Carrier Safety Administration (the "FMCSA"), imposes safety and fitness regulations on the Company and its drivers, including rules that restrict driver hours-of-service. Changes to such hours-of-service rules can negatively impact the Company's productivity and affect its operations and profitability by reducing the number of hours per day or week its drivers may operate and/or disrupting its network. While the FMCSA has proposed and implemented such changes in the past, no such changes are currently proposed. However, any future changes to hours-of-service rules could materially and adversely affect the Company's operations and profitability.

There are two methods of evaluating the safety and fitness of carriers. The first method is the application of a safety rating that is based on an onsite investigation and affects a carrier's ability to operate in interstate commerce. The Company currently has a satisfactory DOT safety rating under this method, which is the highest available rating under the current safety rating scale. If the Company were to receive a conditional or unsatisfactory DOT safety rating, it could adversely affect the Company's business, as some of its existing customer contracts require a satisfactory DOT safety rating. In January 2016, the FMCSA published a Notice of Proposed Rulemaking outlining a revised safety rating measurement system, which would replace the current methodology. Under the proposed rule, the current three safety ratings of "satisfactory," "conditional," and "unsatisfactory" would be replaced with a single safety rating of "unfit," and a carrier would be deemed fit when no rating was assigned. Moreover, the proposed rules would use roadside inspection data, in addition to investigations and onsite reviews, to determine a carrier's safety fitness on a monthly basis. Under the current rules, a safety rating can only be given upon completion of a comprehensive onsite audit or review. The proposed rule underwent a public comment period that ended in June 2016 and several industry groups and lawmakers expressed their disagreement with the proposed rule, arguing that it violates the requirements of the Fixing America's Surface Transportation Act (the "FAST Act") and that the FMCSA must first finalize its review of the CSA scoring system, described in further detail below. Based

on this feedback and other concerns raised by industry stakeholders, in March 2017, the FMCSA withdrew the Notice of Proposed Rulemaking related to the new safety rating system. In its notice of withdrawal, the FMCSA noted that a new rulemaking related to a similar process may be initiated in the future. Therefore, it is uncertain if, when, or under what form any such rule could be implemented.

In addition to the safety rating system, the FMCSA has adopted the Compliance Safety Accountability ("CSA") program as an additional safety enforcement and compliance model that evaluates and ranks fleets on certain safety-related standards. The CSA program analyzes data from roadside inspections, moving violations, crash reports from the last two years, and investigation results. The data is organized into seven categories. Carriers are grouped by category with other carriers that have a similar number of safety events (e.g., crashes, inspections, or violations) and carriers are ranked and assigned a rating percentile to prioritize them for interventions if they are above a certain threshold. Currently, these scores do not have a direct impact on a carrier's safety rating. However, the occurrence of unfavorable scores in one or more categories may (i) affect driver recruiting and retention by causing high-quality drivers to seek employment with other carriers, (ii) cause the Company's customers to direct their business away from the Company and to carriers with higher fleet rankings (iii), subject the Company to an increase in compliance reviews and roadside inspections, or (iv) cause the Company to incur greater than expected expenses in its attempts to improve unfavorable scores, any of which could adversely affect the Company's results of operations and profitability.

Under CSA, these scores were initially made available to the public in five of the seven categories. However, pursuant to the FAST Act, which was signed into law in December 2015, the FMCSA was required to remove from public view the previously available CSA scores while it reviews the reliability of the scoring system. During this period of review by the FMCSA, the Company will continue to have access to its scores and will still be subject to intervention by the FMCSA when such scores are above the intervention thresholds. A congressionally mandated report by the national Academies of Science related to the CSA program was released in June 2017 which recommended: (i) reconfiguring the underlying statistical model under CSA's Safety Measurement System (the percentile ranking categories used to target carriers for intervention) with a so-called item response theory model to more accurately target at-risk carriers, (ii) making the scoring system more transparent and easier for carriers to replicate and understand, and (iii) departing from using relative metrics as the sole means for targeting carriers. The FMCSA is expected to provide a report to Congress in early 2018 outlining the changes it will make to the CSA program in response to the report. It is unclear if, when, and to what extent any such changes will occur. However, any changes that increase the likelihood of us receiving unfavorable scores could adversely affect our results of operations and profitability. The Company will continue to monitor the FMCSA's response and future proposed rules that may affect the scoring methodology in order to continue to promote improvement of scores in all seven categories with ongoing reviews of all safety-related policies, programs and procedures for their effectiveness.

We have on certain occasions exceeded the established intervention thresholds in a number of the seven CSA safety-related categories. Based on these unfavorable ratings, we may be prioritized for an intervention action or roadside inspection, either of which could have a material adverse effect our results of operations. In addition, customers may be less likely to assign loads to us. We have put procedures in place in an attempt to address areas where we have exceeded the thresholds. However, we cannot guarantee these measures will be effective.

In 2015, the FMCSA issued final rules requiring nearly all carriers, including the Company, to install and use electronic logging devices ("ELDs") in their tractors starting in December 2017, in order to electronically monitor truck miles and enforce hours-of-service. Enforcement of this rule will be phased in, as states will not begin putting tractors out of service for non-compliance until April 1, 2018. However, carriers are subject to citations, on a state-by-state basis, for non-compliance with the rule after the December 2017 compliance deadline. Prior to the December 2017 deadline, the Company installed AOBRs on 100% of its tractor fleet, which has exempted us from being 100% ELD compliant on our tractor fleet until December 2019. The Company expects to be compliant with ELDs on 100% of all required vehicles prior to the December 2019 deadline.

In the aftermath of the September 11, 2001 terrorist attacks, federal, state and municipal authorities implemented and continue to implement various security measures, including checkpoints and travel restrictions on large trucks. The Transportation Security Administration (the "TSA") has adopted regulations that require determination by the TSA that each driver who applies for or renews his license for carrying hazardous materials is not a security threat.

In November 2015, the FMCSA published its final rule related to driver coercion, which took effect in January 2016. Under this rule, carriers, shippers, receivers, or transportation intermediaries that are found to have coerced drivers to violate certain FMCSA regulations (including hours-of-service rules) may be fined up to $16,000 for each offense.

In December 2016, FMCSA and DOT published the Commercial Driver's License Drug and Alcohol Clearinghouse rule as mandated by the Moving Ahead for Progress in the 21st Century Act. The rule establishes and mandates a query to the Clearinghouse by employers and prospective employers to determine if current or prospective drivers have had any drug/alcohol positives or refusals. The rule went into effect in January 2017 and mandates compliance by January 2020 to allow time for the design and implementation of the clearinghouse IT systems. When compliance becomes mandatory, it could result in a decrease in driver availability and adversely affect the Company's operations.

Other rules have been recently proposed or made final by the FMCSA, including (i) a rule requiring the use of speed limiting devices on heavy duty tractors to restrict maximum speeds, which was proposed in 2016, and (ii) a rule setting forth minimum driver training standards for new drivers applying for commercial driver's licenses for the first time and to experienced drivers upgrading their licenses or seeking a hazardous materials endorsement, which was made final in December 2016, with a compliance date in February 2020. In July 2017, the DOT announced that it would no longer pursue a speed limiter rule, but left open the possibility that it could resume such a pursuit in the future. The effect of these rules, to the extent they become effective, could result in a decrease in fleet production and driver availability, either of which could adversely affect the Company's business or operations.

Tax and other regulatory authorities have in the past sought to assert that independent contractor drivers in the trucking industry are employees rather than independent contractors. Federal legislators continue to introduce legislation concerning the classification of independent contractors as employees, including legislation that proposes to increase the tax and labor penalties against employers who intentionally or unintentionally misclassify employees as independent contractors and are found to have violated employees' overtime or wage requirements. Additionally, federal legislators have sought to (i) abolish the current safe harbor allowing taxpayers meeting certain criteria to treat individuals as independent contractors if they are following a long-standing, recognized practice, (ii) extend the Fair Labor Standards Act to independent contractors, and (iii) impose notice requirements based upon employment or independent contractor status and fines for failure to comply. Some states have adopted initiatives to increase their revenues from items such as unemployment, workers' compensation, and income taxes, and the Company believes a reclassification of independent contractor drivers as employees would help states with this initiative. Federal and state taxing and other regulatory authorities and courts apply a variety of standards in their determination of independent contractor status. Further, class actions and other lawsuits have been filed against certain members of our industry seeking to reclassify independent contractors as employees for a variety of purposes, including workers' compensation and health care coverage. In addition, companies that employ lease-purchase independent contractor programs, such as us, have been more susceptible to reclassification lawsuits and several recent decisions have been made in favor of those seeking to classify independent contractor truck drivers as employees. If the independent contractors the Company engages were determined to be its employees, it would incur additional exposure under federal and state tax, workers' compensation, unemployment benefits, labor, employment, and tort laws, which could potentially include prior periods, as well as potential liability for employee benefits and tax withholdings. The Company currently observes and monitors its compliance with current related and applicable laws and regulations, but it cannot predict whether laws and regulations adopted in the future regarding the classification of the independent contractor drivers it engages will adversely affect the Company's business or operations.

The regulatory environment has changed under the administration of President Trump. In January 2017, the President signed an executive order requiring federal agencies to repeal two regulations for each new one they propose and imposing a regulatory budget, which would limit the amount of new regulatory costs federal agencies can impose on individuals and businesses each year. The Company does not believe the order has had a significant impact on its industry. However, the order, and other anti-regulatory action by the President and/or Congress, may inhibit future new regulations and/or lead to the repeal or delayed effectiveness of existing regulations. Therefore, it is uncertain how the Company may be impacted in the future by existing, proposed, or repealed regulations.

For further discussion regarding such laws and regulations, refer to the "Risk Factors" section under Part 1, Item 1A of this Form 10-K.

Seasonality

In the trucking industry, revenue has historically followed a seasonal pattern for various commodities and customer businesses. Peak freight demand has historically occurred in the months of September, October and November. After the December holiday season and during the remaining winter months, freight volumes are typically lower as many customers reduce shipment levels. Operating expenses have historically been higher in the winter months due primarily to decreased fuel efficiency, increased cold weather-related maintenance costs of revenue equipment and increased insurance and claims costs attributed to adverse winter weather conditions. Revenue can also be impacted by weather, holidays and the number of business days that occur during a given period, as revenue is directly related to the available working days of shippers.

Available Information

USA Truck was incorporated in Delaware in September 1986 as a wholly owned subsidiary of ABF Freight System, Inc., and was purchased by management in December 1988. The initial public offering of the Company's common stock was completed in March 1992.

The Company's principal offices are located at 3200 Industrial Park Road, Van Buren, Arkansas 72956, and its telephone number is (479) 471-2500.

The Company maintains a website where additional information regarding USA Truck's business and operations may be found. The website address is www.usa-truck.com. The website provides certain investor information available free of charge, as soon as reasonably practicable after electronically filing such materials with the SEC. These materials include the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, stock ownership reports filed under Section 16 of the Exchange Act, and any amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. The website also includes Interactive Data Files required to be posted pursuant to Rule 405 of SEC Regulation S-T. Information provided on the Company website is not incorporated by reference into this Form 10-K, and you should not consider information on our website to be part of this Form 10-K.

ITEM 1A. RISK FACTORS

The following risks and uncertainties may cause our actual results, business, financial condition and cash flows to differ from those anticipated in the forward-looking statements included in this Form 10-K. You should not place undue reliance on forward-looking statements made herein because such statements speak only to the date they were made. We undertake no obligation or duty to revise or update any forward-looking statements contained herein to reflect subsequent events or circumstances or the occurrence of unanticipated events, except as required by law. Also refer to the Cautionary Note Regarding Forward-Looking Statements in Part I of this Form 10-K.

Our business is subject to general economic, credit, and business factors affecting the trucking industry that are largely out of our control, any of which could have a material adverse effect on our operating results.

The truckload industry is highly cyclical, and our business is dependent on a number of factors that may have a materially adverse effect on our results of operations, many of which are beyond our control. We believe that some of the most significant of these factors include (i) excess tractor and trailer capacity in the trucking industry in comparison with shipping demand; (ii) driver shortages and increases in driver compensation; (iii) declines in the resale value of used equipment; (iv) compliance with ongoing regulatory requirements; (v) strikes, work stoppages, or work slowdowns at our facilities or at customer, port, border crossing, or other shipping-related facilities; (vi) increases in interest rates, fuel taxes, tolls, and license and registration fees; and (vii) rising costs of healthcare.

We are affected by (i) recessionary economic cycles such as the 2016 freight environment, which was characterized by weak demand and downward pressure on rates; (ii) changes in customers' inventory levels and practices, including shrinking product/package sizes, and in the availability of funding for their working capital; and (iii) downturns in our customers' business cycles, particularly in market segments and industries, such as retail and manufacturing, where we have significant customer concentration, and regions of the country, such as the Midwest and Southeast, where we have a significant amount of business. Economic conditions may adversely affect our customers and their demand for and ability to pay for our services. We may be required to increase our allowance for doubtful accounts for customers encountering adverse economic conditions.

Economic conditions that decrease shipping demand or increase the supply of available tractors and trailers can exert downward pressure on rates and equipment utilization, thereby decreasing asset productivity. For our USAT Logistics segment, imbalance between capacity and demand is usually favorable to our financial performance, while market equilibrium lessens our value to either shippers or carriers. The risks associated with these factors are heightened when the United States economy is weakened. Some of the principal risks during such times, which risks we have experienced during prior recessionary periods, are as follows:

- we may experience low overall freight levels, which may reduce our asset utilization;
- freight patterns may change as supply chains are redesigned, resulting in an imbalance between our capacity and our customers' freight demand;
- customers may bid out freight or select competitors that offer lower rates in an attempt to lower their costs, and we might be forced to lower our rates or lose freight;
- we may be forced to accept more loads from freight brokers, where freight rates are typically lower, or may be forced to incur more non-revenue generating miles to obtain loads; and
- lack of access to current sources of capital, leading to an inability to secure financing on satisfactory terms, or at all.

We are subject to cost increases that are outside our control that could materially reduce our profitability if we are unable to increase our rates sufficiently. Such costs include, but are not limited to, increases in fuel prices, driver and office employee wages, purchased transportation costs, taxes, interest rates, tolls, license and registration fees, insurance and claims, revenue equipment and related maintenance, tires and other components, and healthcare and other benefits for our employees. Further, we may not be able to appropriately adjust our costs to changing market demands. In order to maintain high variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it is more difficult to match our staffing level to our business needs.

Changing impacts of regulatory measures could adversely impact our operating efficiency and productivity, decrease our operating revenues and profitability, and result in higher operating costs. In addition, declines in the resale value of revenue equipment can also affect our profitability and cash flows. From time to time, various federal, state, or local taxes could also increase, including taxes on fuels. We cannot predict whether, or in what form, any such increase will be enacted that may be applicable to us, but such an increase could adversely affect our results of operations.

In addition, we cannot predict future economic conditions, fuel price fluctuations, or how consumer confidence could be affected by actual or threatened armed conflicts or terrorist attacks, government efforts to combat terrorism, military action against a foreign state or group located in a foreign state, or heightened security requirements. Enhanced security measures in connection with such events could impair our operating efficiency and productivity and result in higher operating costs.

We operate in a highly competitive and fragmented industry, and numerous competitive factors could impair our ability to improve our results of operations.

Numerous competitive factors present in our industry could impair our ability to maintain or improve our current profitability and could have a materially adverse effect on our results of operations. These factors include the following:

- We compete with many other truckload carriers of varying sizes and, to a lesser extent, with less-than-truckload carriers, railroads, intermodal providers, freight brokers, and other transportation and logistics companies, many of which have access to more equipment and greater capital resources than we do.
- Many of our competitors periodically reduce their freight rates to gain business, especially during times of reduced growth rates in the economy or overcapacity, which may limit our ability to maintain or increase freight rates or maintain growth in our business or may require us to reduce our freight rates in order to maintain business and keep our equipment productive.

- We may increase the size of our fleet during periods of high freight demand during which our competitors also increase their capacity, and we may experience losses in greater amounts than such competitors during subsequent cycles of softened freight demand if we are required to dispose of assets at a loss to match reduced customer demand;

- Some of our customers are other transportation companies or also operate their own private trucking fleets, and they may decide to transport more of their own freight.

- Many customers reduce the number of carriers they use by selecting so-called "core carriers" as approved service providers or by engaging dedicated providers, and in some instances we may not be selected.

- Many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some of our business to competitors.

- The trend toward consolidation in the trucking industry may create large carriers with greater financial resources and other competitive advantages relating to their size, and we may have difficulty competing with these larger carriers.

- The market for qualified drivers is increasingly competitive, and our inability to attract and retain drivers could reduce our equipment utilization or cause us to increase compensation, both of which would adversely affect our profitability.

- Competition from non-asset-based and other logistics and freight brokerage companies may adversely affect our customer relationships and freight rates.

- Economies of scale that procurement aggregation providers may pass on to smaller carriers may improve their ability to compete with us.

- Advances in technology may require us to increase investments in order to remain competitive, and our customers may not be willing to accept higher freight rates to cover the cost of these investments.

- Higher fuel prices and, in turn, higher fuel surcharges to our customers may cause some of our customers to consider freight transportation alternatives, including rail transportation.

We face various risks associated with stockholder activists, which may be disruptive to our business.

Activist stockholders have in the past advocated for certain changes at USA Truck and may attempt to gain representation on or control of our board of directors, through a proxy contest or other means, the possibility of which may create uncertainty regarding our future. These perceived uncertainties may make it more difficult to attract and retain qualified personnel, raise customer concerns, or cause volatility in the price of our common stock. The presence of such activist stockholders, a potential proxy contest, or an activist stockholder lawsuit also may create a significant distraction for our management team and require us to expend significant time and resources, depending on the nature of the activists' agendas, and could interfere with our ability to execute our strategic initiatives. Although we are not currently aware of any activist stockholders who own a substantial portion of our stock at this time, we cannot assure you that we will be able to agree to favorable terms with activist stockholders that might acquire an interest in our Company.

Certain provisions of our charter documents and Delaware law could deter acquisition proposals and make it difficult for a third party to acquire control of the Company.

Provisions in our Restated and Amended Certificate of Incorporation ("Certificate of Incorporation") may discourage, delay, or prevent a change of control or changes in our board of directors or management that our stockholders may consider favorable. For example, our Certificate of Incorporation authorizes the board of directors to issue up to 1,000,000 shares of "blank check" preferred stock. Without stockholder approval, our board of directors has the authority to attach special rights, including voting and dividend rights, to this preferred stock, which could make it more difficult for a third party to acquire the Company. Our Certificate of Incorporation also provides:

- for a classified board of directors, whereby directors serve for staggered three-year terms, making it more difficult for a third party to obtain control of the board of directors through a single proxy contest;
- that vacancies on the board of directors may be filled only by the remaining directors in office, even if only one director remains in office;
- that directors may only be removed for "cause" and only by the affirmative vote of the holders of at least a majority of our outstanding common stock;
- that the affirmative vote of the holders of at least 66 2/3% of the voting power of our outstanding common stock is required to approve any merger or consolidation with any other business entity that requires approval of the stockholders;
- that stockholders can only act by written consent if such consent is signed by the holders of at least 66 2/3% of our outstanding common stock; and
- that each of the provisions set forth above may only be amended by the holders of at least 66 2/3% of our outstanding common stock.

Our Amended and Restated Bylaws also require advance notice of all stockholder proposals, including nominations for election as director, and provide that a special meeting of stockholders may be called only by the Chairman of the Board, the Chief Executive Officer, the President, or by a majority of the entire board of directors. We have in the past adopted a stockholder rights plan, which was voluntarily terminated by the board of directors in April 2014, and may in the future adopt new stockholder rights plans. We are also subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law. Under these provisions, unless prior to the time that anyone becomes an "interested stockholder" our board of directors approves either the "business combination" or transaction which resulted in a stockholder becoming an interested stockholder, we may not enter into a "business combination" with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change of control. For purposes of Section 203, "interested stockholder" means, generally, someone owning 15% or more of our outstanding voting stock during the prior three years, subject to certain exceptions as described in Section 203. These provisions will apply even if the change may be considered beneficial by some of our stockholders, and thereby negatively affect the price that investors might be willing to pay in the future for our common stock. In addition, to the extent that these provisions discourage an acquisition of our Company or other change of control transaction, they could deprive stockholders of opportunities to realize takeover premiums for their shares of our common stock.

We could become subject to unsolicited takeover proposals, which may be disruptive to our business.

The trading price of our common stock has recently traded at a level that we believe could make us a target for an unsolicited takeover proposal. We have in the past been subject to unsolicited takeover proposals and could become subject to such proposals in the future. Responding to such proposals, exploring the availability of alternative transactions that reflect our full intrinsic value and instituting legal action in connection therewith has in the past created a significant distraction for our management team and required us to expend significant time and resources, and we believe any future unsolicited proposals would cause similar disruptions to our business. Such proposals may disrupt our business by causing uncertainty among current and potential employees, suppliers, and customers, which could negatively impact our financial condition, results of operations and strategic initiatives and cause volatility in our stock price. These consequences, alone or in combination, may have a materially adverse effect on our business. Although, we have entered into a change of control/severance plan with certain of our officers and members of our management team, the change of control arrangements may not be adequate to allow us to retain critical employees during a time when a change of control is being proposed or is imminent.

Our indebtedness and capital and operating lease obligations could adversely affect our ability to respond to changes in our industry or business.

Our level of indebtedness and lease obligations has fluctuated in recent periods. As a result of our current level of debt, capital leases, operating leases, and encumbered assets, we believe:

- our vulnerability to adverse economic conditions and competitive pressures is heightened;

- we will continue to be required to dedicate a substantial portion of our cash flows from operations to lease and interest payments and repayment of debt, limiting the availability of cash for other purposes;
- our flexibility in planning for, or reacting to, changes in our business and industry will be limited;
- our results of operations and cash flows are sensitive to fluctuations in interest rates because some of our debt obligations are subject to variable interest rates, and future borrowings and lease financing arrangements will be affected by any such fluctuations;
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, or other purposes may be limited;
- we may be placed at a competitive disadvantage relative to some of our competitors that have less, or less restrictive, debt than us; and
- we may be required to issue additional equity securities to raise funds, which would dilute the ownership position of our stockholders.

Our financing obligations could negatively impact our future operations, our ability to satisfy our capital needs, or our ability to engage in other business activities. We also cannot assure you that additional financing will be available to us when required or, if available, will be on terms satisfactory to us.

In the future, we may need to obtain additional financing that may not be available or, if it is available, may result in a reduction in the percentage ownership of our then-existing stockholders.

We may need to raise additional funds in order to:

- finance unanticipated working capital requirements, capital investments or refinance existing indebtedness;
- develop or enhance our technological infrastructure and our existing services;
- fund strategic relationships;
- respond to competitive pressures; and
- acquire complementary businesses or services.

If the economy and/or the credit markets weaken, or we are unable to enter into capital or operating leases to acquire revenue equipment on terms favorable to us, our business, financial results and results of operations could be materially adversely affected, especially if consumer confidence declines and domestic spending decreases. If adequate funds are not available or are not available on acceptable terms, our ability to fund our strategic initiatives, take advantage of new opportunities, develop or enhance technology or services or otherwise respond to competitive pressures could be significantly limited. If we raise additional funds by issuing equity or convertible debt securities, the ownership of our then-existing stockholders may be diluted, and holders of these securities may have rights, preferences or privileges senior to those of our then-existing stockholders.

Our revolving credit agreement and other financing arrangements contain certain covenants, restrictions, and requirements that we may be unable to comply with. A default could result in the acceleration of all or part of any outstanding indebtedness, which could have an adverse effect on our financial condition, liquidity, results of operations, and the market price of our common stock.

In February 2015, we entered into a new senior secured revolving credit agreement (the "Credit Facility") with a group of lenders and Bank of America, N.A., as agent. The Credit Facility is a five-year facility scheduled to terminate on February 5, 2020. We also have other financing arrangements.

The Credit Facility contains a single springing financial covenant, which requires us to maintain a consolidated fixed charge coverage ratio of at least 1.0 to 1.0. The financial covenant springs only in the event excess availability under the Credit Facility drops below 10%, or $17.0 million, of the lenders' total commitments under the Credit

Facility. In the event our excess availability under the Credit Facility drops below $34.0 million, or 20% of the lenders' total commitments under the Credit Facility, we may be subject to certain additional restrictions, such as restricting our ability to pay dividends, make certain investments, prepay certain indebtedness, execute share repurchase programs, and enter into certain acquisitions and hedging arrangements. The fixed charge ratio is affected by our level of earnings and is adversely affected by operating losses and other charges such as severance costs and impairment charges. In recent years, we have incurred operating losses, severance and restructuring costs and impairment charges relating to, among others, a decline in the appraised value of our Company-owned revenue equipment fleet. Future operating losses, severance and restructuring actions and further declines in the appraised value of our Company-owned revenue equipment fleet would adversely affect our fixed charge ratio and could impair our ability to make further borrowings under our Credit Facility.

The Credit Facility contains certain restrictions and covenants related to, among other things, dividends, liens, acquisitions and dispositions, affiliate transactions, and the incurrence of other indebtedness. The Credit Facility is secured by a pledge of substantially all of our assets, with the exclusion of any real estate or revenue equipment financed outside the Credit Facility. The Credit Facility 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 Credit Facility may be accelerated, and the lenders' commitments may be terminated.

If we fail to comply with any of our financing arrangement covenants, restrictions, or requirements, we would be in default under the relevant agreement. In the event of any such default, if we failed to obtain replacement financing or amendments to, or waivers under, the applicable financing arrangements, existing lenders could cease to make further advances, declare existing debt to be immediately due and payable, fail to renew letters of credit, impose significant restrictions and requirements on our operations, institute foreclosure proceedings against collateralized assets, or impose significant fees. If acceleration occurs, it may be difficult or expensive to refinance the accelerated debt and the issuance of additional equity securities could dilute stock ownership. Even if new financing can be procured, more stringent borrowing terms could mean that credit is not available to us on acceptable terms. A default under these financing arrangements could cause a materially adverse effect on the liquidity, financial condition, and results of operations.

We have significant ongoing capital requirements that could adversely affect our profitability if we are unable to generate sufficient cash from operations, match our capital investments with customer demand, or obtain financing on favorable terms.

The truckload industry is capital intensive, and our policy of operating newer equipment requires us to expend significant amounts annually. We expect to pay for projected capital expenditures with funds provided by operations, borrowings under the Credit Facility, proceeds from the sale of used revenue equipment, and capital and operating leases. We base our equipment purchase and replacement decisions on a number of factors, including the state of the economic environment, new equipment prices, the used equipment market, the attractiveness of lease terms, demand for freight services, prevailing interest rates, technological improvements, regulatory changes, cost per mile, fuel efficiency, equipment durability, equipment specifications, and driver comfort. Further, if anticipated demand for our services differs materially from actual results, we may have too many or too few equipment assets. Moreover, resource requirements vary based on customer demand, which may be subject to seasonal or general economic conditions. During periods of decreased customer demand, our asset utilization may suffer, and we may be forced to sell equipment on the open market or turn in equipment under certain equipment leases in order to right size our fleet. This could cause us to incur losses on such sales or require payments in connection with the return of such equipment, particularly during times of a softer used equipment market, either of which could have a materially adverse effect on our profitability.

If we are unable to generate sufficient cash from operations or obtain borrowing on favorable terms, we may be forced to further limit our growth, enter into less favorable financing arrangements, or operate revenue equipment for longer periods, any of which could have a materially adverse effect on our results of operations.

Upgrading our tractors to reduce the average age of our fleet may not increase our profitability or result in cost savings as expected or at all.

Upgrades of our tractor fleet may not result in an increase in profitability or cost savings. Expected improvements in operating ratio may lag behind new tractor deliveries, primarily because in executing a tractor fleet upgrade, we may experience costs associated with preparing our old tractors for trade, and our new tractors for integration into our fleet, and lost driving time while swapping revenue equipment. Further, tractor prices have

increased and may continue to increase, due in part to government regulations applicable to newly manufactured tractors and diesel engines.

In addition, we cannot be certain that an agreement will be reached on price, equipment trade-ins, or other terms that we deem favorable. If we do enter an agreement for the purchase of new tractors, we could be exposed to the risk that the new tractor deliveries will be delayed. Accordingly, we are subject to an increased risk that upgrades of our tractor fleet will not result in the operational results, cost savings and increases in profitability that we expect.

We self-insure for a portion of our claims exposure, which could significantly increase the volatility of, and decrease the amount of, our earnings.

Our business results in a number of claims and litigation related to personal injuries, property damage and workers' compensation. We self-insure a portion of our claims exposure, which could increase the volatility of, and decrease the amount of, our earnings, and could have a materially adverse effect on our results of operations. Our future insurance and claims expenses may exceed historical levels, which could reduce our earnings. We currently accrue amounts for liabilities based on our assessment of claims that arise and our insurance coverage for the periods in which the claims arise and we evaluate and revise these accruals from time-to-time based on additional information. Due to our high self-insured amounts, we have significant exposure to fluctuations in the number and severity of claims and the risk of being required to accrue or pay additional amounts if our estimates are revised or the claims ultimately prove to be more severe than originally assessed. At certain times in the past, we have had to adjust our reserves, and future significant adjustments may occur. Further, our self-insured retention levels could change and result in more volatility than in recent years.

We maintain insurance for most risks above the amounts for which we self-insure with licensed insurance carriers. If any claim were to exceed our coverage, or fall outside the aggregate coverage limit, we would bear the excess or uncovered amount, in addition to our self-insured amount. Although we believe our aggregate insurance limits are sufficient to cover reasonably expected claims, it is possible that one or more claims could exceed those limits. Insurance carriers have recently raised premiums for the trucking industry. Our insurance and claims expense could increase if we have a similar experience at renewal, or we could find it necessary to raise our self-insured retention or decrease our aggregate coverage limits when our policies are renewed or replaced. Additionally, with respect to our insurance carriers, the industry is experiencing a decline in the number of carriers and underwriters that offer excess insurance policies or that are willing to provide insurance for trucking companies, and the necessity to go off-shore for insurance needs has increased. This may materially adversely affect our insurance costs or make insurance in excess of our self-insured retention more difficult to find, as well as increase our collateral requirements for policies that require security. In the event that (i) our insurance expenses increase, (ii) we become unable to find excess coverage in amounts we deem sufficient, (iii) we experience a claim in excess of our coverage limits, (iv) we experience a claim for which we do not have coverage, or (v) we have to increase our reserves, there could be a materially adverse effect on our results of operations and financial condition.

Healthcare legislation and cost inflation also could negatively impact financial results by increasing annual employee healthcare costs going forward. In addition, rising healthcare costs could force us to make changes to our existing benefits program, which could negatively impact our ability to attract and retain employees.

Fluctuations in the price or availability of fuel, the volume and terms of diesel fuel purchase commitments, surcharge collection, and hedging activities may increase our costs of operations.

Fuel is one of our largest operating expenses. Diesel fuel prices fluctuate greatly due to factors beyond our control, such as political events, terrorist activities, armed conflicts, commodity futures trading, devaluation of the dollar against other currencies, and hurricanes and other natural or man-made disasters, each of which may lead to an increase in the cost of fuel. Fuel prices also are affected by the rising demand for fuel in developing countries, and could be materially adversely affected by the use of crude oil and oil reserves for purposes other than fuel production and by diminished drilling activity. Such events may lead not only to increases in fuel prices, but also to fuel shortages and disruptions in the fuel supply chain. Because our operations are dependent upon diesel fuel, significant diesel fuel cost increases, shortages, or supply disruptions could materially adversely affect our business, financial condition and results of operations.

Fuel also is subject to regional pricing differences and is often more expensive in certain areas where we operate. Increases in fuel costs, to the extent not offset by rate per mile increases or fuel surcharges, have a materially adverse effect on our results of operations. While we have fuel surcharge programs in place with a

majority of our customers, which historically have helped us offset the majority of the negative impact of rising fuel prices associated with loaded or billed miles, we also incur fuel costs that cannot be recovered, such as those associated with non-revenue generating miles or time when our engines are idling. Moreover, the terms of each customer's fuel surcharge program vary, and certain customers have sought to modify the terms of their fuel surcharge programs to lower our recoverability for fuel price increases. In addition, because our fuel surcharge recovery lags behind changes in fuel prices, our fuel surcharge recovery may not capture the increased costs we pay for fuel, especially when prices are rising. This could lead to fluctuations in our levels of reimbursement, which have occurred in the past. There can be no assurance that such fuel surcharges can be maintained indefinitely or will be sufficiently effective.

From time to time, we have used hedging contracts and volume purchase arrangements to attempt to limit the effect of price fluctuations. Hedging arrangements effectively allow us to pay a fixed rate for fuel on gallons hedged that is determined based on the market rate at the time we enter into the hedge. In times of falling diesel fuel prices, our costs will not be reduced to the same extent they would have reduced if we had not entered into the hedging contracts and we may incur significant expense in connection with our obligation to make cash payments under such contracts. Accordingly, in times of falling diesel fuel prices, our results of operations and cash flows could also be materially adversely affected.

Volatility in the used equipment market could have a materially adverse effect on our business, financial condition, results of operations.

A decreased demand for used revenue equipment could adversely affect our operating results. As we continually replace our equipment, we rely on the used equipment market to extract remaining value out of our used equipment. The market for used equipment is impacted by several factors, including the demand for freight, the supply of used equipment, the availability of financing, the presence of buyers for export to foreign countries, and, to a lesser extent, commodity prices for scrap metal. A depressed market for used equipment could require us to dispose of our revenue equipment at depressed values or to record losses on disposal or impairments of the carrying values of our revenue equipment that is not protected by residual value arrangements. If there is a deterioration of resale prices, it could have a materially adverse effect on our business, financial condition, and results of operations. A deterioration of demand for used equipment could make it more difficult to dispose of and replace older equipment and may reduce our ability to refresh our fleet, both of which could negatively impact our results of operations.

Increased prices for new revenue equipment, design changes of new engines, decreased availability of new revenue equipment, and the failure of manufacturers to meet their sale or trade-back obligations to us could have a materially adverse effect on our business, financial condition, and/or results of operations.

We are subject to risk with respect to higher prices for new tractors. We have experienced an increase in prices for new tractors over the past few years, and the resale value of the tractors has not increased to the same extent. Prices have increased and may continue to increase, due, in part, to government regulations applicable to newly manufactured tractors and diesel engines, higher commodity prices, and the pricing power of equipment manufacturers. In addition, we have recently equipped our tractors with safety, aerodynamic, and other options that increase the price of new equipment. More restrictive EPA and state emissions standards have required vendors to introduce new engines. These regulations have increased the cost of our new tractors and could impair equipment productivity, result in lower fuel mileage, and increase our operating expenses. Our business could be harmed if we are unable to continue to obtain an adequate supply of new tractors and trailers for these or other reasons. As a result, we expect to continue to pay increased prices for equipment and incur additional expenses and related financing costs for the foreseeable future. Furthermore, reduced equipment efficiency and lower fuel mileage may result from new engines designed to reduce emissions, thereby increasing our operating expenses.

Tractor and trailer vendors may reduce their manufacturing output in response to lower demand for their products in economic downturns or shortages of component parts. A decrease in vendor output may have a materially adverse effect on our ability to purchase a quantity of new revenue equipment that is sufficient to sustain our desired growth rate and to maintain a late-model fleet. Moreover, an inability to obtain an adequate supply of new tractors or trailers could have a materially adverse effect on our business, financial condition, and results of operations.

We have a recent history of net losses and may be unsuccessful in maintaining and improving profitability.

We have reported a net loss in two of the last five years. We reported a profit in 2017 due to an approximately $12.0 million reduction of income tax expense arising from the Tax Cuts and Jobs Act of 2017, and our operations still need to show improvement to achieve consistent profitability. Maintaining and improving profitability depends upon numerous factors, including the ability to increase average base revenue per tractor, increase utilization, improve driver retention, and control operating expenses. We may not be able to maintain or improve profitability in the future, which could negatively impact our liquidity and financial position.

We may not be successful in implementing our realigned management team's operating procedures, and cost savings initiatives.

We have implemented changes to our management team and structure, as well as operating procedures. These changes may not be successful or may not achieve the desired results. Additional training or different personnel may be required, which may result in additional expense, delays in obtaining results, or disruptions to operations. Some of these implemented changes include customer service and driver management changes and cost savings initiatives. These changes and initiatives may not improve our results of operations, including asset productivity, tractor utilization, driver retention and base revenue per tractor. In addition, we may not be successful in achieving the expected savings in our cost structure, including the areas of equipment maintenance, equipment operating costs, insurance and claims and fuel economy. In such event, our revenue, financial results, and ability to operate profitably could be negatively impacted. Further, our operating results could be negatively affected by a failure to further penetrate our existing customer base, cross-sell our services, pursue new customer opportunities, and manage the operations and expenses of our USAT Logistics segment. There is no assurance we will achieve our goals. If we are unsuccessful, our financial condition, results of operations, and cash flows could be adversely affected..

Management and key employee turnover or failure to attract and retain qualified management and other key personnel, could have a materially adverse effect on our business, financial condition, and results of operations.

We depend on the leadership and expertise of our executive management team and other key personnel to design and execute our strategic and operating plans, including our current efforts to improve the profitability of our Trucking segment and grow our USAT Logistics segment. Our management team has experienced significant changes in recent years and may continue to experience change. While we have employment agreements in place with certain members of our management team, there can be no assurance we will continue to retain their services and we may become subject to significant severance payments if our relationship with such members is terminated under certain circumstances. Further, turnover, planned or otherwise, in key leadership positions could adversely impact our ability to manage our business efficiently and effectively, and such turnover can be disruptive and distracting to management, may lead to additional departures of existing personnel, and could have a materially adverse effect on our results of operations. We must recruit, develop and retain a core group of leaders to realize our goal of expanding our operations, improving our earnings consistency, and positioning ourselves for long-term operating revenue growth.

Increases in driver compensation or difficulties attracting and retaining qualified drivers could have a materially adverse effect on our profitability and the ability to maintain or grow our fleet.

Like many truckload carriers, we experience substantial difficulty in attracting and retaining sufficient numbers of qualified drivers, which includes the engagement of independent contractors. The truckload industry is subject to a shortage of qualified drivers. Such shortage is exacerbated during periods of economic expansion, in which alternative employment opportunities are more plentiful and freight demand increases, or during periods of economic downturns, in which unemployment benefits might be extended and financing is limited for independent contractors who seek to purchase equipment or for students who seek financial aid for driving school. Regulatory requirements, including those related to safety ratings, ELDs and hours of service ("HOS") changes, and an improved economy could further reduce the number of eligible drivers or force us to increase driver compensation to attract and retain drivers. We have seen evidence that stricter HOS regulations adopted by the DOT in the past have tightened and, to the extent new regulations are enacted, may continue to tighten, the market for eligible drivers. We believe the required implementation of ELDs in December 2017 has, and enforcement of related rules in April 2018 may further, tighten such market. We believe the shortage of qualified drivers and intense competition for drivers from other trucking companies will create difficulties in maintaining or increasing the number of our drivers and may restrain our ability to engage a sufficient number of drivers and independent contractors, and our inability to do so could negatively impact our operations. Further, the compensation we offer our drivers and independent

contractor expenses are subject to market conditions, and we may find it necessary to increase driver compensation and/or become subject to higher independent contractor expenses in future periods.

In addition, we and many other truckload carriers suffer from a high turnover rate of drivers and independent contractors. This high turnover rate requires us to continually recruit a substantial number of drivers and independent contractors and to focus on alternative recruitment methods in order to operate existing revenue equipment. If we are unable to continue to attract and retain a sufficient number of drivers and independent contractors, we could be forced to, among other things, adjust our compensation packages, operate with fewer tractors, or increase the number of tractors without drivers and face difficulty meeting shipper demands, any of which could have a materially adverse effect on our results of operations.

Our engagement of independent contractors to provide a portion of our capacity exposes us to different risks than we face with our tractors driven by company drivers.

Pursuant to our fuel surcharge program with independent contractors, we pay independent contractors a fuel surcharge that increases with the increase in fuel prices. A significant increase or rapid fluctuation in fuel prices could cause our costs under this program to be higher than the revenue we receive under our customer fuel surcharge programs.

Our independent contractor agreements are governed by the federal leasing regulations, which impose specific requirements on us and the independent contractors. If more stringent federal leasing regulations are adopted, independent contractors could be deterred from becoming independent contractor drivers, which could materially adversely affect our goal of growing our number of independent contractors.

Independent contractors are third-party service providers, as compared with company drivers, who are our employees. As independent business owners, they may make business or personal decisions that may conflict with our best interests. For example, if a load is unprofitable, route distance is too far from home, personal scheduling conflicts arise, or for other reasons, independent contractors may deny loads of freight from time to time. Additionally, independent contractors may be unable to obtain or retain equipment financing, which could affect their ability to continue to act as a third-party service provider for the Company. In these circumstances, we must be able to deliver the freight timely in order to maintain relationships with customers, and if we fail to meet certain customer needs or incur increased expenses to do so, this could materially adversely affect our results of operations.

If the independent contractors we contract with are deemed by regulators or judicial process to be employees, there could be a materially adverse effect on our results of operations.

Tax and regulatory authorities, as well as independent contractors themselves, have increasingly asserted that independent contractor drivers in the trucking industry are employees, rather than independent contractors, for a variety of purposes, including income tax withholding, workers' compensation, wage and hour compensation, unemployment, and other issues. Federal legislation has been introduced in the past that would make it easier for tax and other authorities to reclassify independent contractors as employees, including legislation to increase the recordkeeping requirements for those that engage independent contractor drivers and to increase the penalties for companies who misclassify their employees and are found to have violated employees' overtime and/or wage requirements. Additionally, federal legislators have sought to (i) abolish the current safe harbor allowing taxpayers meeting certain criteria to treat individuals as independent contractors if they are following a long-standing, recognized practice, (ii) extend the Fair Labor Standards Act to independent contractors, and (iii) impose notice requirements based on employment or independent contractor status and fines for failure to comply. Some states have put initiatives in place to increase their revenue from items such as unemployment, workers' compensation, and income taxes, and a reclassification of independent contractors as employees would help states with these initiatives. Further, class actions and other lawsuits have been filed against certain members of our industry seeking to reclassify independent contractors as employees for a variety of purposes, including workers' compensation and healthcare coverage. In addition, companies that use lease-purchase independent contractor programs, such as us, have been more susceptible to reclassification lawsuits and several recent decisions have been made in favor of those seeking to classify independent contractor truck drivers as employees. Taxing and other regulatory authorities and courts apply a variety of standards in their determination of independent contractor status. If independent contractors we contract with or have contracted with are determined to be employees, we would incur additional exposure under federal and state tax, workers' compensation, unemployment benefits, labor, employment, and tort laws, including for prior periods, as well as potential liability for employee benefits and tax withholdings.

Developments in labor and employment law and any unionizing efforts by employees could have a materially adverse effect on our results of operations.

We face the risk that Congress, federal agencies, or one or more states could approve legislation or regulations significantly affecting our businesses and our relationship with our employees, such as the previously proposed federal legislation referred to as the Employee Free Choice Act, which would have substantially liberalized the procedures for union organization. None of our domestic employees are currently covered by a collective bargaining agreement, but any attempt by our employees to organize a labor union could result in increased legal and other associated costs. Additionally, given the National Labor Relations Board's "speedy election" rule, our ability to timely and effectively address any unionizing efforts would be difficult. If we entered into a collective bargaining agreement with our domestic employees, the terms could materially adversely affect our costs, efficiency, and ability to generate acceptable returns on the affected operations.

Additionally, the Department of Labor issued a final rule in 2016 raising the minimum salary basis for executive, administrative and professional exemptions from overtime payment. The rule increases the minimum salary from the current amount of $23,660 to $47,476 and up to 10% of non-discretionary bonus, commission and other incentive payments can be counted towards the minimum salary requirement. The rule was scheduled to go into effect on December 1, 2016. However, the rule was temporarily enjoined from going into effect in November 2016, and later invalidated in August 2017, after several states and business groups filed separate lawsuits against the Department of Labor challenging the rule. An appeal to this ruling appears unlikely. However, any future rule similar to this rule that impacts the way we classify certain positions, increases our payment of overtime wages or increases the salaries we pay to currently exempt employees to maintain their exempt status, may have a material adverse effect on our business, financial condition and results of operations.

The growth of our asset-light service offering poses unique risks.

We are continuing to implement our plan to increase the proportion of our revenue obtained from our "asset-light operations," which primarily represents our USAT Logistics segment and the independent contractors we engage. Our goal is that our asset-light operations will result in higher margins, lower capital commitments, and less risk during times of weakened economic conditions. Execution of this plan involves the risk of customer loss or deterioration if either our Trucking and USAT Logistics operations creates a customer issue that impacts the other where we have customer overlap, decreased utilization of Company equipment if loads with desirable profitability and lanes are allocated to third parties, growth impediments given our need to rely on third party providers and an independent contractor market that is contracting and subject to litigation and regulatory risks, and competitive pressures from other asset-light companies with greater financial, personnel, and technological resources. If we are unsuccessful in achieving this, it may have a materially adverse effect on our future results of operations.

Our USAT Logistics segment and our engagement of independent contractors are dependent upon the services of third-party capacity providers, including other truckload carriers. For these operations, we do not own or control the transportation assets that deliver our customers' freight, and do not employ the people directly involved in delivering the freight. These third-party providers may seek other freight opportunities or may require increased compensation in times of improved freight demand or tight trucking capacity. Our inability to secure the services of these third parties could significantly limit our ability to serve our customers on competitive terms. Additionally, if we are unable to secure sufficient equipment or other transportation services to meet our commitments to our customers or provide services on competitive terms, our operating results could be materially and adversely affected. Our ability to secure sufficient equipment or other transportation services is affected by many risks beyond our control, including equipment shortages in the transportation industry, particularly among contracted truckload carriers, interruptions in service due to labor disputes, changes in regulations impacting transportation, and changes in transportation rates. Further, we believe that the recently effective ELD mandate may cause a decrease in third party transportation capacity and make securing such capacity more difficult and/or expensive.

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

We generate a significant portion of our operating revenue from our major customers. A substantial portion of our freight is from customers in the retail industry. As such, our volumes are largely dependent on consumer spending and retail sales, and our results may be more susceptible to trends in unemployment and retail sales than carriers that do not have this concentration. In addition, our major customers engage in bid processes and other activities periodically (including currently) in an attempt to lower their costs of transportation. We may not choose

to participate in these bids or, if we participate, may not be awarded the freight, either of which circumstances could result in a reduction of our freight volumes with these customers. In this event, we could be required to replace the volumes elsewhere at uncertain rates and volumes, suffer reduced equipment utilization, or reduce the size of our fleet. Additionally, USAT Logistics is dependent upon a single customer for more than 10% of their operating revenue. Failure to retain our existing customers, or enter into relationships with new customers, each on acceptable terms, could materially impact our business, financial condition, results of operations, and ability to meet our current and long-term financial forecasts.

Economic conditions and capital markets may materially adversely affect our customers and their ability to remain solvent. Our customers' financial difficulties can negatively impact our results of operations and financial condition and our ability to comply with the covenants under our debt agreements, especially if they were to delay or default on payments owed to us. Generally, we do not have contractual relationships that guarantee any minimum volumes with our customers, and we cannot assure you that our customer relationships will continue as presently in effect. Our dedicated service offering is typically subject to longer term written contracts than our over-the-road service offering. However, certain of these contracts contain cancellation clauses, including our "evergreen" contracts, which automatically renew for one-year terms but that can be terminated more easily. There is no assurance any of our customers, including our dedicated customers, will continue to utilize our services, renew our existing contracts, or continue at the same volume levels. Despite the existence of contractual arrangements with our customers, certain of our customers may nonetheless engage in competitive bidding processes that could negatively impact our contractual relationship. In addition, certain of our major customers may increasingly use their own truckload and delivery fleets, which would reduce our freight volumes. A reduction in or termination of our services by one or more of our major customers, including our dedicated customers, could have a material adverse effect on our business, financial condition and results of operations.

We operate in a highly regulated industry, and changes in existing regulations or violations of existing or future regulations could have a materially adverse effect on our results of operations.

We operate in the United States pursuant to operating authority granted by the DOT, in various Canadian provinces pursuant to operating authority granted by the Ministries of Transportation and Communications, and our Mexican business activities are subject to operating authority granted by Secretaria de Comunicaciones y Transportes. Company drivers and independent contractors also must comply with the safety and fitness regulations of the DOT, including those relating to drug and alcohol testing, driver safety performance, and HOS. Matters such as weight, electronic on-board reporting, equipment dimensions, exhaust emissions, and fuel efficiency are also subject to government regulations. We also may become subject to new or more restrictive regulations relating to fuel efficiency, exhaust emissions, HOS, ergonomics, drug and alcohol testing, electronic on-board reporting of operations, collective bargaining, security at ports, speed limiters, driver training, and other matters affecting safety or operating methods. Future laws and regulations may be more stringent, require changes in our operating practices, influence the demand for transportation services, or require us to incur significant additional costs. Higher costs we incur, or higher costs incurred by suppliers who pass the costs on to us, could have a materially adverse effect our results of operations. Changes in regulations, such as those related to trailer size limits, hours-of-service, and mandating ELDs, could increase capacity in the industry or improve the position of certain competitors, either of which could negatively impact pricing and volumes, or require additional investments by us. The short and long term impacts of changes in legislation or regulations are difficult to predict and could materially adversely affect our operations. The Environmental and Other Regulation sections in Item 1 of Part I of this Annual Report on Form 10-K discusses several proposed, pending, suspended, and final regulations that could materially impact our business and operations and is incorporated by reference herein.

The CSA program adopted by the FMCSA could adversely affect our results of operations, our ability to maintain or grow our fleet, and our customer relationships.

Under the CSA, fleets are evaluated and ranked against their peers based on certain safety-related standards. As a result, our fleet could be ranked poorly as compared to peer carriers. We recruit and retain first-time drivers to be part of our driver team, and these drivers may have a higher likelihood of creating adverse safety events under CSA. The occurrence of future deficiencies could affect driver recruitment by causing high-quality drivers to seek employment with other carriers or limit the pool of drivers we are comfortable hiring or could cause our customers to direct their business away from us and to carriers with higher fleet safety rankings, either of which would adversely affect our results of operations. Additionally, competition for drivers with favorable safety backgrounds may increase, which could necessitate increases in driver-related compensation costs. Further, we may incur greater than expected expenses in our attempts to improve unfavorable scores.

In December 2015, Congress passed the FAST Act, which calls for significant CSA reform. The FAST Act directs the FMCSA to conduct studies of the scoring system used to generate CSA rankings to determine if it is effective in identifying high-risk carriers and predicting future crash risk. This study was conducted and delivered to the FMCSA in June 2017 with several recommendations to make the CSA program more fair, accurate, and reliable. The FMCSA is expected to provide a report to Congress in early 2018 outlining the changes it will make to the CSA program in response to the study. It is unclear if, when, and to what extent any such changes will occur. However, any changes that increase the likelihood of us receiving unfavorable scores could adversely affect our results of operations and profitability.

We are compliant with the established intervention thresholds in a number of the seven CSA safety-related categories. Based on any BASIC that exceed the established threshold, we may be prioritized for an intervention action or roadside inspection, either of which could have a material adverse effect on our results of operations. In addition, customers may be less likely to assign loads to us. We have put procedures in place in an attempt to address areas where we exceed thresholds, and have experienced improvement in these measures. However, we cannot assure you these measures will be effective.

Receipt of an unfavorable DOT safety rating could have a materially adverse effect on our results of operations.

We currently have a satisfactory DOT rating, which is the highest available rating under the current safety rating scale. If we were to receive a conditional or unsatisfactory DOT safety rating, or similar rating under any future DOT rating system, it could materially adversely affect our business, financial condition, and results of operations as our customers may require a satisfactory DOT safety rating, and a conditional or unsatisfactory rating could materially adversely affect or restrict our operations. The Other Regulation section in Item 1 of Part I of this Annual Report on Form 10-K discusses several proposed, pending, suspended, and final regulations that could materially impact our business and operations and is incorporated by reference herein.

Compliance with various environmental laws and regulations upon which our operations are subject may increase our costs of operations and non-compliance with such laws and regulations could result in substantial fines or penalties.

In addition to direct regulation under the DOT and related agencies, we are subject to various environmental laws and regulations dealing with the hauling and handling of hazardous materials, fuel storage tanks, fuel spills, air emissions from our vehicles and facilities, and discharge and retention of storm water. Our truck terminals often are located in industrial areas where groundwater or other forms of environmental contamination may have occurred or could occur. Our operations involve the risks of fuel spillage or seepage, environmental damage, and hazardous waste disposal, among others. One of our Trucking facilities has above-ground bulk fuel storage tanks on the premises. A small percentage of our freight consists of low-grade hazardous substances, which subjects us to a wide array of regulations. Although we have instituted programs to monitor and control environmental risks and promote compliance with applicable environmental laws and regulations, if we are involved in a spill or other accident involving hazardous substances, if there are releases of hazardous substances we transport, if soil or groundwater contamination is found at our facilities or results from our operations, or if we are found to be in violation of applicable laws or regulations, we could be subject to cleanup costs and liabilities, including substantial fines or penalties or civil and criminal liability, any of which could have a materially adverse effect on our business and operating results. The Environmental Regulations section in Item 1 of Part I of this Annual Report on Form 10-K discusses several regulations that could materially impact our business and operations and is incorporated by reference herein.

If we cannot effectively manage the challenges associated with doing business internationally, our operating revenue and results of operations may suffer.

A component of our operations is the business we conduct in Mexico, and to a lesser extent Canada, and we are subject to risks of doing business internationally, including fluctuations in foreign currencies, changes in the economic strength of Mexico and Canada, difficulties in enforcing contractual obligations and intellectual property rights, burdens of complying with a wide variety of international and United States export and import laws, and social, political, and economic instability. We must also comply with applicable anti-corruption and anti-bribery laws such as the U.S. Foreign Corrupt Practices Act and local laws prohibiting corrupt payments to government officials. We cannot guarantee compliance with all applicable laws, and violations could result in substantial fines, sanctions, civil or criminal penalties, competitive or reputational harm, litigation, or regulatory action and other

consequences that might adversely affect our results of operations and our consolidated performance. Restrictive trade policies and imposition of duties, taxes, or government royalties by foreign governments are additional risks associated with our foreign operations. Although these additional risks have been largely mitigated by the terms of NAFTA, President Trump has indicated that his administration may renegotiate the terms of NAFTA. Although it is unknown what changes might be made to NAFTA or other border policies which may be adopted, it is possible there could be more restrictive trade policies and potential increased costs, as well as increased regulatory complexities. Changes to NAFTA may adversely affect our results of operations.

Litigation may adversely affect our business, financial condition, and results of operations.

Our business is subject to the risk of litigation by employees, independent contractors, customers, vendors, government agencies, stockholders, and other parties through private actions, class actions, administrative proceedings, regulatory actions, and other processes. Recently, trucking companies have been subject to lawsuits, including class action lawsuits, alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal breaks, rest periods, overtime eligibility, worker misclassification, and failure to pay for all hours worked. A number of these lawsuits have resulted in the payment of substantial settlements or damages by the defendants.

The outcome of litigation, particularly class action lawsuits and regulatory actions, is difficult to assess or quantify, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend litigation may also be significant. Not all claims are covered by our insurance, and there can be no assurance that our coverage limits will be adequate to cover all amounts in dispute. To the extent we experience claims that are uninsured, exceed our coverage limits, involve significant aggregate use of our self-insured retention amounts, or cause increases in future premiums, the resulting expenses could have a materially adverse effect on our business, results of operations, financial condition, or cash flows.

We depend on the proper functioning, availability, and security of our information and communication systems (and the data contained therein), and a systems failure or unavailability, including those caused by cybersecurity breaches, could cause a significant disruption to and adversely affect our business.

We depend heavily on the proper functioning, availability, and security of our information and communication systems, including financial reporting and operating systems, in operating our business. These systems are protected through physical and software safeguards, but are still vulnerable to fire, storm, flood, power loss, telecommunications failures, physical or software break-ins, terrorist attacks, internet failures, computer viruses, and similar events beyond our control. If the information or communication systems fail, otherwise become unavailable, or experience a cybersecurity breach or threat, manually performing functions could temporarily impact our ability to manage our fleet efficiently, to respond to customers' requests effectively, to maintain billing and other records reliably, to bill for services accurately or in a timely manner, to communicate internally and with drivers, customers, and vendors, and to prepare financial statements accurately or in a timely manner. Business interruption insurance may be inadequate to protect us in the event of a catastrophe. Any system failure, upgrade complication, cybersecurity breach, or other system disruption could interrupt or delay operations, damage our reputation, impact our ability to manage our operations and report financial performance, and cause the loss of customers, any of which could have a materially adverse effect on existing and future business.

Our production systems are supported utilizing a hybrid hosting model that includes virtualized on premise servers and cloud service providers. Production data is replicated to a secondary data center in a separate geographic region, which protects our information in the event of a significant disaster. This redundant data center allows the data related to our systems to be recovered following an incident. However, recovery of such data may not immediately restore our ability to utilize our information systems. In the event such systems are significantly damaged, it could take several days before our systems are returned to full functionality. Our communication services are provided through a mixture of on premise, hosted data center, and cloud services. Recovery time is dependent upon the nature of the event and the affected communication service.

We receive and transmit confidential data with our customers, drivers, vendors, employees, and service providers in the normal course of business. Despite our implementation of secure transmission techniques, internal data security measures, training, and monitoring tools, our information and communication systems are vulnerable to cybersecurity threats and breach attempts from both external and internal sources. Any such breach could result in disruption of communications with our customers, drivers, vendors, employees, and service providers and improper access to, misappropriation of, altering, or deleting information in our systems, including customer, driver,

vendor, employee, and service provider information and our proprietary business information. A cybersecurity breach could damage our business operations and reputation and could cause us to incur costs associated with repairing our systems, increased security, customer notifications, lost operating revenue, litigation, regulatory action, fines and penalties and reputational damage.

Seasonality and the impact of weather and other catastrophic events affect our operations and profitability.

Our tractor productivity decreases during the winter season because inclement weather impedes operations, and some shippers reduce their shipments after the winter holiday season. Revenue can also be adversely affected by inclement weather and holidays, since revenue is directly related to available working days of shippers. At the same time, operating expenses increase and fuel efficiency declines because of engine idling and harsh weather creating higher accident frequency, increased claims, and more equipment repairs. We may also suffer from weather-related or other unforeseen events such as tornadoes, hurricanes, blizzards, ice storms, floods, fires, earthquakes, and explosions. These events may disrupt fuel supplies, increase fuel costs, disrupt freight shipments or routes, affect regional economies, damage or destroy our assets, or adversely affect the business or financial condition of our customers, any of which could have a materially adverse effect on our results of operations or make our results of operations more volatile.

We cannot guarantee that our share repurchase program will not negatively impact our stock price or financial condition.

Our board of directors has approved a share repurchase program under which we may purchase up to two million shares of our common stock. The specific timing, manner, price, amount and other terms of the repurchases will be at management's discretion and will depend on market conditions, corporate and regulatory requirements, and other factors. There can be no assurance that repurchases will be made at the best possible price. We are not required to repurchase shares under the repurchase program, and we may modify, suspend, or terminate the repurchase program at any time for any reason. While we did not purchase any shares between September 2016 and the date of this Form 10-K, we cannot predict the impact that future repurchases, if any, of our common stock under this program will have on our stock price or earnings or loss per share. When we are operating at net loss, share repurchases increase the amount of loss per share. Important factors that could cause us to discontinue or decrease our share repurchases include, among others, unfavorable market conditions, the market price of our common stock, the nature of other investment or strategic opportunities presented to us from time to time, the rate of dilution of our equity compensation programs, the availability of funds necessary to continue purchasing stock, and provisions in our credit facility that restrict repurchases based upon availability. In addition, in prior years we have incurred indebtedness in connection with repurchases, which has reduced availability on our Credit Facility, reduced our net worth, and increased our debt-to-capitalization ratio and increased our debt to adjusted EBITDA ratio. Accordingly, our share repurchase program could adversely affect our earnings, cash flows, liquidity, and ability to refinance our Credit Facility, any of which could negatively impact our stock price or financial condition.

Uncertainty relating to piece rate legislation could result in litigation or have a material adverse effect on our operating results.

The trucking industry has been confronted with a continuous patchwork of laws at the state and local levels, related to employee rest and meal breaks. Further, driver piece rate compensation, which is an industry standard, has been attacked as not being compliant with state minimum wage laws. Both of these issues are adversely impacting the Company and motor carrier industry as a whole, with respect to the practical application of the laws; thereby resulting in additional cost. In May 2015, the Supreme Court of the United States refused to grant certiorari to Appellees in the United States Court of Appeals for the Ninth Circuit case, Dilts, et al. v. Penske Logistics, LLC, et al. Consequently, the Appeals Court decision stands, holding that California state wage and hour laws are not preempted by federal law. Existing state and local laws, as well as new laws adopted in the future, which are not preempted by federal law, may result in increased labor costs, driver turnover, reduced operational efficiencies and amplified legal exposure.

The transportation industry is subject to security requirements that could increase our costs of operation.

Because transportation assets continue to be a target of terrorist activities, federal, state and municipal governments are adopting or are considering adopting stricter security requirements that will increase operating costs and potentially slow service for businesses, including those in the transportation industry. For example, in the

aftermath of the September 11, 2001, terrorist attacks, federal, state and municipal authorities implemented and continue to implement various security measures, including checkpoints and travel restrictions on large trucks. In addition, the TSA has adopted regulations that require determination by the TSA that each driver who applies for or renews his license for carrying hazardous materials is not a security threat. These regulations could reduce the pool of qualified drivers, which could require us to increase driver compensation, limit fleet growth, or allow trucks to sit idle. These regulations also could complicate the successful pairing of available equipment with hazardous material shipments, thereby increasing the Company's response time and deadhead miles on customer shipments. These requirements are not static, but change periodically as the result of regulatory and legislative requirements, imposing additional security costs and creating a level of uncertainty for our operations. Thus, it is possible that these rules or other future security requirements could impose material costs on us or slow our service to our customers. Moreover, a terrorist attack directed at the Company or other aspects of the transportation infrastructure could disrupt our operations and adversely impact demand for our services.

Item 1B. *UNRESOLVED STAFF COMMENTS*

None.

Item 2. *PROPERTIES*

USA Truck's executive offices and headquarters are located on approximately 104 acres in Van Buren, Arkansas. This facility consists of approximately 117,000 square feet of office space, training and driver facilities, and approximately 30,000 square feet of maintenance space. The headquarters also has approximately 11,000 square feet of warehouse space and two other structures with approximately 22,000 square feet of office and warehouse space which are currently leased to a third party. The expense for building and office rent is recorded in the operations and maintenance line item in the accompanying consolidated statement of operations and comprehensive income (loss).

The Company's network consists of 13 facilities, including USAT Logistics offices and one terminal facility in Laredo, Texas, which is one of the largest inland freight gateway cities between the United States and Mexico, operated by a wholly owned subsidiary, International Freight Services, Inc. As of December 31, 2017, the Company's active facilities were located in or near the following cities:

Trucking facilities:	Shop	Driver Facilities	Fuel	Dispatch Office	Own or Lease
Van Buren, Arkansas (5)	Yes	Yes	No	Yes	Own
West Memphis, Arkansas	Yes	Yes	No	Yes	Own/Lease (2)
Vandalia, Ohio	Yes	Yes	No (1)	No	Own
Spartanburg, South Carolina	Yes	Yes	No	No	Own (3)
Laredo, Texas	Yes	Yes	No	Yes	Own/Lease (4)
Morrow, Georgia	No	Yes	No	No	Lease
USAT Logistics facilities:					
Springdale, Arkansas	No	No	No	Yes	Lease
Van Buren, Arkansas (5)	Yes	Yes	No	Yes	Own
Roseville, California	No	No	No	Yes	Lease
Atlanta, Georgia	No	No	No	Yes	Lease
Oak Brook, Illinois	No	No	No	Yes	Lease
Plano, Texas	No	No	No	Yes	Lease
Seattle, Washington	No	No	No	Yes	Lease
Administrative facilities:					
Lebanon, Indiana	No	No	No	Yes	Lease

(1) Infrastructure is in place, but is not currently being utilized.
(2) USA Truck owns the terminal facility and holds an easement relating to less than one acre.
(3) USA Truck has been actively marketing the facility and expects it to be sold during 2018.
(4) USA Truck owns the terminal facility and leases an adjacent six acres for tractor and trailer parking.
(5) Facilities located on the same property.

Item 3. ***LEGAL PROCEEDINGS***

USA Truck is a party to routine litigation incidental to its business, primarily involving claims for personal injury and property damage incurred in the transportation of freight. The Company believes these claims to be routine and immaterial to its long-term financial position, however, adverse results of one or more of these claims could have a material adverse effect on its financial position, results of operations or cash flow in a quarter or annual reporting period.

Item 4. ***MINE SAFETY DISCLOSURES***

None.

PART II

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

USA Truck's common stock is quoted on the NASDAQ Global Select Market under the symbol "USAK." The following table sets forth, for the periods indicated, the high and low sale prices of the Company's common stock as reported by the NASDAQ Global Select Market.

	2017		2016	
Quarter Ended:	High	Low	High	Low
March 31	**$ 10.17**	**$ 6.85**	$ 19.19	$ 11.58
June 30	**8.94**	**5.73**	21.46	15.03
September 30	**14.10**	**7.98**	20.16	9.96
December 31	**19.05**	**12.14**	10.63	7.65

As of February 23, 2018, there were 161 holders of record (including brokerage firms and other nominees) of USA Truck common stock. On February 23, 2018, the closing price per share of USA Truck common stock on the NASDAQ Global Select Market was $26.31.

Dividend Policy

The Company has not paid any dividends on its common stock to date, and does not anticipate paying any dividends at the present time. The Company currently intends to retain all of its earnings, if any, for use in the expansion and development of its business and reduction of debt. The Company's Credit Facility places restrictions on its ability to pay dividends. Future payments of dividends will depend upon the Company's financial condition, results of operations, capital commitments, restrictions under then-existing agreements, legal requirements, and other factors the Company deems relevant.

Equity Compensation Plan Information

For information on USA Truck's equity compensation plans, please refer to Item 12 of Part III of this Form 10-K.

Repurchase of Equity Securities

In February 2016 the Company announced the board of directors had authorized the repurchase of up to two million shares of the Company's common stock, which will expire in February 2019 unless earlier terminated or extended. During 2016, through a Rule 10b5-1 plan, the Company repurchased 1,583,249 shares at an average price of $18.05 per share for an aggregate cost of approximately $28.4 million. Of the total shares repurchased during 2016, 46,262 shares were repurchased during January 2016 under a previously announced repurchase authorization. In August 2016, the Company announced the board of directors halted the Rule 10b5-1 plan, with 463,013 shares remaining available for repurchase as of December 31, 2017.

Item 6. *SELECTED FINANCIAL DATA*

The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," under Part II, Item 7 of this Form 10-K and the consolidated financial statements and accompanying footnotes under Part II, Item 8 of this Form 10-K (dollar amounts in thousands, except per share data).

	Year Ended December 31,				
Consolidated statement of operations data:	**2017**	2016	2015	2014	2013
		(Recast)			
Operating revenue	**$ 446,533**	$ 429,099	$ 507,934	$ 602,477	$ 555,005
Operating (loss) income	**(2,068)**	(7,516)	23,071	17,653	(10,101)
Net income (loss)	**7,497**	(7,699)	11,069	6,285	(9,993)
Diluted earnings (loss) per share	**0.93**	(0.90)	1.06	0.60	(0.97)
Consolidated balance sheet data:					
Cash and cash equivalents	**$ 71**	$ 122	$ 87	$ 205	$ 14
Total assets	**253,855**	294,968	286,456	303,944	301,552
Long-term debt, capital leases and insurance premium financing, including current portion	**107,485**	152,418	101,435	117,512	128,891
Stockholders' equity	**66,488**	58,588	93,777	99,068	92,397
Total debt, less cash, to total capitalization ratio	**61.7 %**	72.2 %	51.9 %	54.2 %	58.2 %
Other financial data:					
Operating ratio	**100.5 %**	101.8 %	95.5 %	97.1 %	101.8 %
Adjusted operating ratio (1) (unaudited)	**100.3 %**	100.4 %	94.3 %	96.4 %	100.9 %

(1) See "Consolidated Reconciliations" below.

The Company reports adjusted operating ratio, which is a financial measure that is not prescribed or authorized by U.S. generally accepted accounting principles ("GAAP").

Adjusted operating ratio, as defined here, is a non-GAAP financial measure, as defined by the SEC. Management uses adjusted operating ratio as a supplement to the Company's GAAP results in evaluating certain aspects of its business, as described below. Adjusted operating ratio is not a substitute for operating margin or any other measure derived solely from GAAP measures. There are limitations to using non-GAAP measures such as adjusted operating ratio. Although management believes that adjusted operating ratio can make an evaluation of the Company's operating performance more consistent because it removes items that, in management's opinion, do not reflect its core operating performance, other companies in the transportation industry may define adjusted operating ratio differently. As a result, it may be difficult to use adjusted operating ratio or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to USA Truck's performance.

Adjusted operating ratio is calculated as operating expenses less restructuring, impairment and other costs, and severance costs included in salaries, wages and employee benefits, net of fuel surcharge, as a percentage of operating revenue excluding fuel surcharge revenue.

USA Truck's board of directors and chief operating decision-makers also focus on adjusted operating ratio as an indicator of the Company's performance from period to period. Management believes fuel surcharge can be volatile and eliminating the impact of this source of revenue (by netting fuel surcharge revenue against fuel expense) affords a more consistent basis for comparing results of operations.

Management believes its presentation of adjusted operating ratio is useful because it provides investors and securities analysts the same information that the Company uses internally for purposes of assessing its core operating performance.

Consolidated Reconciliations

Pursuant to the requirements of Regulation G, reconciliations of non-GAAP financial measures to GAAP financial measures have been provided in the table below for operating ratio (in thousands):

Adjusted Operating Ratio

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Operating revenue	**$ 446,533**	$ 429,099	$ 507,934	$ 602,477	$ 555,005
Less:					
Fuel surcharge revenue	**48,216**	40,929	58,981	108,133	111,150
Base revenue	**398,317**	388,170	448,953	494,344	443,855
Operating expense	**448,601**	436,615	484,863	584,824	565,106
Adjusted for:					
Restructuring, impairment and other costs (1)	**--**	(5,264)	(2,742)	--	--
Severance included in salaries, wages and other (2)	**(930)**	(839)	--	--	--
Long-term claims liability reserve adjustment (3)	**--**	--	--	--	(5,970)
Fuel surcharge revenue	**(48,216)**	(40,929)	(58,981)	(108,133)	(111,150)
Adjusted operating expense	**$ 399,455**	$ 389,583	$ 423,140	$ 476,691	$ 447,986
Operating ratio	**100.5 %**	101.8 %	95.5 %	97.1 %	101.8 %
Adjusted operating ratio	**100.3 %**	100.4 %	94.3 %	96.4 %	100.9 %

Segment Reconciliations:

Trucking Segment

	Year Ended December 31,		
	2017	2016	2015
Revenue	**$ 302,943**	$ 295,807	$ 356,528
Less: intersegment eliminations	**891**	1,281	2,048
Operating revenue	**302,052**	294,526	354,480
Less: fuel surcharge revenue	**38,173**	32,090	46,799
Base revenue	**$ 263,879**	$ 262,436	$ 307,681
Operating expense	**$ 311,719**	$ 309,315	$ 343,392
Adjusted for:			
Restructuring, impairment and other costs (1)	**--**	(4,848)	(2,742)
Severance included in salaries, wages and other (2)	**(665)**	(839)	--
Fuel surcharge revenue	**(38,173)**	(32,090)	(46,799)
Adjusted operating expense	**$ 272,881**	$ 271,538	$ 293,851
Operating ratio	**103.2 %**	105.0 %	96.9 %
Adjusted operating ratio	**103.4 %**	103.5 %	95.5 %

USAT Logistics Segment

	Year Ended December 31,		
	2017	2016	2015
Revenue	**$ 152,137**	$ 140,847	$ 158,295
Less: intersegment eliminations	**7,656**	6,274	4,841
Operating revenue	**144,481**	134,573	153,454
Less: fuel surcharge revenue	**10,043**	8,839	12,182
Base revenue	**$ 134,438**	$ 125,734	$ 141,272
Operating expense	**$ 136,882**	$ 127,300	$ 141,471
Adjusted for:			
Restructuring, impairment and other costs (1)	**--**	(416)	--
Severance included in salaries, wages and other (2)	**(265)**	--	--
Fuel surcharge revenue	**(10,043)**	(8,839)	(12,182)
Adjusted operating expense	**$ 126,574**	$ 118,045	$ 129,289
Operating ratio	**94.7 %**	94.6 %	92.2 %
Adjusted operating ratio	**94.2 %**	93.9 %	91.5 %

(1) During 2016 and 2015, the Company recognized $5.3 million and $2.7 million, respectively, in restructuring, impairment and other costs relating to the termination of employment of certain executives and the closure of maintenance facilities. See "Item 8. Financial Statements and Supplementary Data – Note 15: Restructuring, impairment and other costs" in this Form 10-K for further discussion.

(2) During 2017 and 2016, the Company recognized $0.9 million and $0.8 million, respectively, in severance costs included in the "Salaries, wages and employee benefits" line item. See "Item 8. Financial Statements and Supplementary Data – Note 15: Restructuring, impairment and other costs" in this Form 10-K for further discussion.

(3) During 2013, management conducted an in-depth review of its long-term claims liability, including engagement of a third party actuary, and recorded an increase of $6.0 million to its long-term claims liability.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read together with the Business section in Part 1, Item 1, as well as the consolidated financial statements and accompanying footnotes in Part II, Item 8, of this Form 10-K. This discussion contains forward-looking statements as a result of many factors, including those set forth under Part I, Item 1A "Risk Factors," Part I "Cautionary Note Regarding Forward-Looking Statements," and elsewhere in this report. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from those discussed herein. MD&A summarizes the financial statements from management's perspective with respect to the Company's financial condition, results of operations, liquidity and other factors that may affect actual results.

The MD&A is organized in the following sections:

- Business Overview
- Results of Operations
- Liquidity and Capital Resources
- Contractual Obligations and Commitments
- Off-Balance Sheet Arrangements
- Critical Accounting Estimates

Business Overview

USA Truck offers a broad range of truckload motor carrier and freight brokerage and logistics services to a diversified customer base that spans a variety of industries. The Company has two reportable segments: (i) Trucking, consisting of one-way truckload motor carrier services, in which volumes typically are not contractually committed, and dedicated contract motor carrier services, in which a combination of equipment and drivers is contractually committed to a particular customer, typically for a duration of at least one year, subject to certain cancellation rights, and (ii) USAT Logistics, consisting of freight brokerage, logistics, and rail intermodal service offerings.

The Trucking segment provides one-way truckload transportation, including dedicated services, of various products, goods and materials. The Trucking segment primarily uses its own purchased or leased tractors and trailers or capacity provided by independent contractors to provide services to customers and is commonly referred to as "asset-based" trucking. The Company's USAT Logistics services match customer shipments with available equipment of authorized third-party motor carriers and other service providers and complement the Company's Trucking operations. USAT Logistics provides these services primarily to existing Trucking customers, many of whom prefer to rely on a single service provider, or a small group of service providers, to provide all their transportation solutions.

Revenue for the Company's Trucking segment is substantially generated by transporting freight for customers, and is predominantly affected by the rates per mile received from customers, the number of tractors in operation, and the number of revenue-generating miles per tractor. The Company supplements it's Trucking operating revenue by charging for fuel surcharge and ancillary services such as stop-off pay, loading and unloading activities, tractor and trailer detention and other similar services.

Operating expenses that have a major impact on the profitability of the Trucking segment fall into two categories: variable and fixed. Variable costs, or mostly variable costs, constitute the majority of the costs associated with transporting freight for customers, and include driver wages and benefits, fuel and fuel taxes, payments to independent contractors for purchased transportation, operating and maintenance expense and insurance and claims expense. These costs vary primarily according to miles operated, but also have controllable components based on percentage of compensated miles, shop and dispatch efficiency, and safety and claims experience.

The most significant fixed costs, or mostly fixed costs, include the capital costs of our assets (depreciation, rent and interest), compensation of non-driving employees and portions of insurance and maintenance expenses. These expenses are partially controllable through management of fleet size and facilities infrastructure, headcount efficiency, and operating safely.

Fuel and fuel tax expense can fluctuate significantly with diesel fuel prices and is one of our most volatile variable expenses. To mitigate the Company's exposure to fuel price increases, it recovers from its customers fuel surcharges that historically have recouped a majority of the increased fuel costs; however, the Company cannot assure the recovery levels experienced in the past will continue in future periods. Although the Company's fuel surcharge program mitigates some exposure to rising fuel costs, the Company continues to have exposure to increasing fuel costs related to deadhead miles, out of route miles, fuel inefficiency due to engine idle time and other factors, including the extent to which the surcharge paid by the customer is insufficient to compensate for higher fuel costs, particularly in times of rapidly increasing fuel prices. The main factors that affect fuel surcharge revenue are the price of diesel fuel and the number of loaded miles. The fuel surcharge is billed on a lagging basis, meaning the Company typically bills customers in the current week based on the previous week's applicable United States Department of Energy, or DOE, Diesel Fuel index. Therefore, in times of increasing fuel prices, the Company does not recover as much in fuel surcharge revenue as it pays for fuel. In periods of declining prices, the opposite is true.

The key statistics used to evaluate Trucking segment performance, in each case net of fuel surcharge revenue, include (i) base Trucking revenue per seated tractor per week, (ii) average base revenue per loaded mile, (iii) average miles per seated tractor per week, (iv) deadhead mile percentage, (v) average loaded miles per trip, (vi) average number of seated tractors and (vii) adjusted operating ratio. In general, the Company's average miles per seated tractor per week, base revenue per mile and deadhead mile percentage are affected by industry-wide freight volumes, industry-wide trucking capacity and the competitive environment, which are mostly beyond the Company's control, as well as by its sales and marketing efforts, service levels and operational efficiency, over which the Company has significant control.

Unlike the Trucking segment, the USAT Logistics segment is non-asset based and is instead dependent upon qualified employees, information systems and qualified third-party capacity providers. The largest expense related to the USAT Logistics segment is purchased transportation expense. Other operating expenses consist primarily of salaries, wages and employee benefits. The Company evaluates the financial performance of the USAT Logistics segment by reviewing gross margin (USAT Logistics operating revenue less purchased transportation expense) and the gross margin percentage (USAT Logistics operating revenue less purchased transportation expense expressed as a percentage of USAT Logistics operating revenue). Gross margin can be impacted by the rates charged to customers and the costs of securing third-party capacity. USAT Logistics often achieves better gross margins during periods of imbalance between supply and demand than times of balanced supply and demand, although periods of transition to tight capacity also can compress margins.

We plan to continue our focus on improving results through ongoing network engineering initiatives, pricing discipline, enhanced partnerships with customers, and improved execution in our day-to-day operations, as well as our ongoing safety initiatives. By focusing on these key objectives, management believes it will make progress on its goals of improving the Company's operating performance and increasing stockholder value.

The following tables summarize the consolidated statements of operations (in thousands) and percentage of consolidated operating revenue and the percentage increase or decrease in the dollar amounts of those items compared to prior years.

	2017			2016			
	$	**% Operating Revenue**	**Adjusted Operating Ratio (1)**	$	% Operating Revenue	Adjusted Operating Ratio (1)	% Change in Dollar Amounts
Base revenue	**$ 398,317**	**89.2 %**		$ 388,170	90.5 %		2.6 %
Fuel surcharge revenue	**48,216**	**10.8**		40,929	9.5		17.8
Operating revenue	**$ 446,533**	**100.0 %**		$ 429,099	100.0 %		4.1
Operating expenses	**448,601**	**100.5**	**100.3 %**	436,615	101.8	100.4 %	2.7
Operating loss	**(2,068)**	**(0.5)**	**(0.3)**	(7,516)	(1.8)	(0.4)	72.5
Other expenses:							
Interest expense	**3,808**	**0.9**		3,178	0.7		19.8
Other, net	**387**	**0.0**		524	0.1		(26.1)
Total other expenses, net	**4,195**	**0.9**		3,702	0.9		13.3
Loss before income taxes	**(6,263)**	**(1.4)**		(11,218)	(2.6)		44.2
Income tax benefit	**(13,760)**	**(3.1)**		(3,519)	(0.8)		291.0
Net income (loss)	**$ 7,497**	**1.7 %**		$ (7,699)	(1.8) %		197.4 %

	2016			2015			
	$	% Operating Revenue	Adjusted Operating Ratio (1)	$	% Operating Revenue	Adjusted Operating Ratio (1)	% Change in Dollar Amounts
Base revenue	$ 388,170	90.5 %		$ 448,953	88.4 %		(13.5) %
Fuel surcharge revenue	40,929	9.5		58,981	11.6		(30.6)
Operating revenue	$ 429,099	100.0 %		$ 507,934	100.0 %		(15.5)
Operating expenses	436,615	101.8	100.4 %	484,863	95.5	94.3 %	(10.0)
Operating (loss) income	(7,516)	(1.8)	(0.4)	23,071	4.5	5.7	(132.6)
Other expenses:							
Interest expense	3,178	0.7		2,237	0.4		42.1
Loss on extinguishment of debt (2)	--	--		750	0.2		(100.0)
Other, net	524	0.1		743	0.1		(29.5)
Total other expenses, net	3,702	0.9		3,730	0.7		(0.8)
(Loss) income before income taxes	(11,218)	(2.6)		19,341	3.8		(158.0)
Income tax (benefit) expense	(3,519)	(0.8)		8,272	1.6		(142.5)
Net (loss) income	$ (7,699)	(1.8) %		$ 11,069	2.2 %		(169.6) %

(1) The adjusted operating ratio calculation for operating expenses is calculated as operating expenses, net of fuel surcharge and other items, as a percentage of operating revenue excluding fuel surcharge revenue. Other items in this presentation are the restructuring, impairment and other costs and severance costs included in salaries, wages and employee benefits. See Note 15 to the Company's consolidated financial statements included in Part II, Item 8, in this Form 10-K. Adjusted operating ratio is a non-GAAP financial measure. See Selected Financial Statement Data in Part I, Item 6 for the uses and limitations associated with adjusted operating ratio.

(2) Loss on extinguishment of debt represents the write-off of the deferred financing fees associated with the Company's previous revolving credit facility.

Key Operating Statistics by Segment

	Year Ended December 31,		
Trucking:	**2017**	2016	2015
Operating revenue *(in thousands)*	**$ 302,052**	$ 294,526	$ 354,480
Operating (loss) income *(in thousands)* (1)	**$ (9,667)**	$ (14,789)	$ 11,088
Operating ratio (2)	**103.2 %**	105.0 %	96.9 %
Adjusted operating ratio (3)	**103.4 %**	103.5 %	95.5 %
Total miles *(in thousands)* (4)	**162,599**	172,591	186,686
Deadhead percentage (5)	**13.0 %**	12.9 %	12.6 %
Base revenue per loaded mile	**$ 1.865**	$ 1.746	$ 1.885
Average number of in-service tractors (6)	**1,713**	1,774	1,970
Average number of seated tractors (7)	**1,592**	1,674	1,824
Average miles per seated tractor per week	**1,959**	1,972	1,963
Base revenue per seated tractor per week	**$ 3,179**	$ 2,998	$ 3,235
Average loaded miles per trip	**557**	583	582
USAT Logistics:			
Operating revenue *(in thousands)*	**$ 144,481**	$ 134,573	$ 153,454
Operating income *(in thousands)* (1)	**$ 7,599**	$ 7,273	$ 11,983
Gross margin *(in thousands)* (8)	**$ 26,686**	$ 25,645	$ 28,529
Gross margin percentage (9)	**18.5 %**	19.1 %	18.6 %

(1) Operating (loss) income is calculated by deducting operating expenses from operating revenue.
(2) Operating ratio is calculated as operating expenses as a percentage of operating revenue.
(3) Adjusted operating ratio is calculated as operating expenses less restructuring, impairment and other costs and severance costs included in salaries, wages and employee benefits, net of fuel surcharge revenue, as a percentage of operating revenue excluding fuel surcharge revenue. See GAAP to non-GAAP reconciliations above.
(4) Total miles include both loaded and deadhead miles.
(5) Deadhead mile percentage is calculated by dividing empty miles into total miles.
(6) Tractors include company-operated tractors in service, plus tractors operated by independent contractors.
(7) Seated tractors are those occupied by drivers.
(8) Gross margin is calculated by deducting purchased transportation expense from USAT Logistics operating revenue.
(9) Gross margin percentage is calculated as gross margin divided by USAT Logistics operating revenue.

Trucking operating revenue

The increase in Trucking operating revenue was the result of a 6.8% increase in base revenue per loaded mile, offset by the 21% increase in our unseated tractor count, the 5.9% decrease in loaded miles and a 1.5% decrease in trucking shipments. While the freight market was challenging throughout the first half of 2017, improvements were seen later in the year. Extreme weather paired with increased economic activity in the third and fourth quarters of 2017 and regulatory changes late in 2017 that impacted driving hours resulted in a capacity-constrained market, which enabled the Company to capture a higher rate per mile in the spot market and on long-term contracts, but the weather also had unfavorable effects on asset utilization. For the first time, due to the aforementioned strategic network engineering initiatives, the Company was positioned to meaningfully participate in the fourth quarter 2017 retail surge. This, in conjunction with the significant improvement in the Company's core network performance, led to significant year over year improvements in our rate per loaded mile, revenue per tractor per week, and operating income in the fourth quarter of 2017. The Company continues to believe the recent changes in trucking regulations, including the April 2018 enforcement of the ELD mandate, should continue to tighten the capacity market into 2018. The Company expects year-over-year improvements in rate per mile in 2018, due to the favorable relationship between industry capacity and demand and the implementation of Company initiatives.

During 2016, the decrease in operating revenue was primarily attributable to an 8.1% decrease in Trucking shipments and a 7.6% decrease in total miles driven, and included a 31.4% decrease in fuel surcharge revenue. The remaining decreases in operating revenue and base revenue were attributable to 8.2% fewer average seated tractors as the Company continued to downsize its fleet in 2016 to match its tractors with demand and experienced difficulties with driver retention, and a 7.4% decrease in Trucking base revenue per loaded mile. The loss of business from several customers in the second quarter of 2016 accounted for the majority of the decrease in base revenue per loaded mile and in loaded miles during the year.

Trucking operating (loss) income

The reduction in the operating loss for the Trucking segment for 2017, as compared to 2016, was largely due to the 6.8% increase in base revenue per loaded mile, partially offset by a 5.9% decrease in loaded miles, the 21% increase in our unseated tractor count, and a 1.5% decrease in number of Trucking shipments. Also, during the first quarter of 2017, a significant increase in insurance and claims expense, resulting from a $4.4 million reserve adjustment stemming from adverse development in prior year claims layers, contributed to the increased loss. Looking ahead, the Company expects to continue refining the Company's freight network toward a more optimal mix of lanes and markets, with a focus on network density, work toward seating a higher percentage of the Company's fleet and growing the independent contractor fleet, and focus on improving rates, all with the goal of better utilizing Company tractors and improving key operating metrics.

During 2016, the Trucking operating loss was primarily the result of an 8.1% decrease in Trucking shipments and a 7.3% reduction in base revenue per seated tractor per week associated with the loss of several customers during the second quarter of 2016 and a softer freight environment. These decreases were partially offset by cost savings efforts in maintenance expense. However, the Company was not able to reduce fixed costs sufficiently during 2016, despite efforts to match the Company's non-driving workforce to its smaller fleet.

USAT Logistics operating revenue

During 2017, the increase in USAT Logistics operating revenue primarily resulted from approximately 10% higher revenue per order offset by a 2.0% decrease in load count. Increasing industry demand relative to capacity produced 7.4% higher operating revenue for 2017, as compared to the same period in 2016. The Company intends to continue to pursue its objective of growing the USAT Logistics segment, which requires much lower capital investment than its Trucking segment, and remains focused on gaining market share and improving net revenue.

USAT Logistics operating income

During 2017, the increase in operating income was primarily the result of a 7.4% increase in operating revenue stemming from increased spot market freight.

In 2016, the decrease in USAT Logistics' operating income was largely due to the decreases in base revenue and fuel surcharge revenue, which less effectively covered the increased compensation expense tied to efforts to grow this segment during 2016.

Consolidated Operating Expenses

The following table summarizes the consolidated operating expenses (in thousands) and percentage of consolidated operating revenue, consolidated base revenue and the percentage increase or decrease in the dollar amounts of those items compared to the prior year.

Operating Expenses:	2017 $	2017 % Operating Revenue	2017 Adjusted Operating Ratio (1)	2016 $	2016 % Operating Revenue	2016 Adjusted Operating Ratio (1)	% Change 2017 to 2016
Salaries, wages and employee benefits	**$ 122,297**	**27.4 %**	**30.5 % (1)**	$ 122,408	28.5 %	31.3 %	(0.9) %
Fuel and fuel taxes	**45,853**	**10.3**	**(0.6) (2)**	43,179	10.1	0.6 (2)	6.2
Depreciation and amortization	**28,463**	**6.4**	**7.1**	29,954	7.0	7.7	(5.0)
Insurance and claims	**25,628**	**5.8**	**6.4**	21,154	4.9	5.5	25.8
Equipment rent	**10,173**	**2.3**	**2.6**	7,443	1.7	1.9	36.7
Operations and maintenance	**31,001**	**6.9**	**7.8**	34,252	8.0	8.8	(9.5)
Purchased transportation	**164,012**	**36.7**	**41.2**	148,972	34.7	38.4	10.1
Operating taxes and licenses	**4,068**	**0.9**	**1.0**	4,695	1.1	1.2	(13.4)
Communications and utilities	**2,713**	**0.6**	**0.7**	3,239	0.8	0.9	(16.2)
Gain on sale of assets	**(773)**	**(0.2)**	**(0.2)**	(1,116)	(0.3)	(0.3)	(30.7)
Restructuring, impairment and other costs	**--**	**--**	**--**	5,264	1.2	N/A	(100.0)
Impairment on assets held for sale	**--**	**--**	**--**	2,839	0.7	0.7	(100.0)
Other	**15,166**	**3.4**	**3.8**	14,332	3.4	3.7	5.8
Total operating expenses	**$ 448,601**	**100.5 %**	**100.3 %**	$ 436,615	101.8 %	100.4 %	2.7 %

Operating Expenses:	2016 $	2016 % Operating Revenue	2016 Adjusted Operating Ratio (1)	2015 $	2015 % Operating Revenue	2015 Adjusted Operating Ratio (1)	% Change 2016 to 2015
Salaries, wages and employee benefits	$ 122,408	28.5 %	31.3 % (1)	$ 140,649	27.7 %	31.3 %	(13.0) %
Fuel and fuel taxes	43,179	10.1	0.6 (2)	58,511	11.5	(0.1) (2)	(26.2)
Depreciation and amortization	29,954	7.0	7.7	37,480	7.4	8.3	(20.1)
Insurance and claims	21,154	4.9	5.5	21,183	4.2	4.7	(0.1)
Equipment rent	7,443	1.7	1.9	4,424	0.9	1.0	68.2
Operations and maintenance	34,252	8.0	8.8	39,644	7.8	8.8	(13.6)
Purchased transportation	148,972	34.7	38.4	161,370	31.8	35.9	(7.7)
Operating taxes and licenses	4,695	1.1	1.2	5,720	1.1	1.3	(17.9)
Communications and utilities	3,239	0.8	0.9	3,599	0.7	0.8	(10.0)
Gain on sale of assets	(1,116)	(0.3)	(0.3)	(7,547)	(1.5)	(1.7)	(85.2)
Restructuring, impairment and other costs	5,264	1.2	N/A	2,742	0.5	N/A	92.0
Impairment on assets held for sale	2,839	0.7	0.7	--	--	--	N/A
Other	14,332	3.4	3.7	17,088	3.4	3.8	(16.1)
Total operating expenses	$ 436,615	101.8 %	100.4 %	$ 484,863	95.5 %	94.3 %	(10.0) %

(1) Adjusted operating ratio is calculated as the applicable operating expense less restructuring, impairment and other costs and severance costs included in salaries, wages and employee benefits, net of fuel surcharge revenue, as a percentage of operating revenue excluding fuel surcharge revenue. See Note 15 of the footnotes in this Form 10-K for additional information regarding these costs and GAAP to non-GAAP reconciliations above.

(2) Calculated as fuel and fuel taxes, net of fuel surcharge revenue

Salaries, wages and employee benefits

Salaries, wages and employee benefits consist primarily of compensation for all employees. Salaries, wages and employee benefits are primarily affected by the total number of miles driven by Company drivers, the rate per mile the Company pays its Company drivers, employee benefits (including, but not limited to, healthcare and workers' compensation), and to a lesser extent by the number of, and compensation and benefits paid to, non-driver employees.

The decrease in salaries, wages and employee benefits expenses during 2017 was primarily due to a 4.7% reduction in the Company-owned tractor fleet, an increase of 3.1% in the independent contractor fleet, and our 2017 reduction in force, partially offset by a $1.5 million cost recorded by the Company in the first quarter of 2017 associated with an adverse development in prior year layers of workers' compensation claims. As part of a reduction in force, headcount in both Trucking and USAT Logistics were reduced during the second quarter of 2017 as the Company continued to better align the non-driving support staff with the number of seated tractors, which also contributed to the decrease in salaries, wages and employee benefits expense, and is expected to reduce annualized staff wages and employee benefits by approximately $1.6 million per year, moving forward. The Company incurred $0.1 million, net-of-tax, in implementing the reduction in force during the second quarter of 2017.

During 2016, the absolute decrease in salaries, wages and employee benefits expenses was primarily due to an approximate 10.0% reduction in the Company-owned tractor fleet and an 8.3% increase in the independent contractor fleet, as the Company continued to migrate to an asset-light strategy in its Trucking segment.

The rate of compensation paid to Company drivers per mile has increased in recent periods and we expect this cost will increase in future periods due to driver pay increases, the most recent of which became effective, during the second quarter of 2017. Management believes that the market for drivers will remain tight, and as such, expects driver wages and hiring expenses to continue to increase in order to attract and retain sufficient numbers of qualified drivers to operate the Company's fleet. This expense item will also be affected by the percentage of Trucking miles operated by independent contractors instead of Company employed drivers and the percentage of revenue generated by USAT Logistics, for which payments are reflected in purchased transportation.

Fuel and fuel taxes

Fuel and fuel taxes consist primarily of diesel fuel expense for Company-owned tractors and fuel taxes. The primary factors affecting the Company's fuel expense are the cost of diesel fuel, the fuel economy of Company equipment, and the number of miles driven by company drivers.

The increases in fuel and fuel taxes for 2017 resulted from a 14.3% increase in average diesel fuel prices per gallon, as reported by the DOE, offset by a 5.8% decrease in total revenue miles, compared to 2016. Fuel expense, net of Trucking fuel surcharge, improved by $4.6 million in 2017 when compared to 2016. Fuel efficiency initiatives undertaken during the year, such as idle-control, more fuel-efficient engines, and driver training programs, contributed to the increased controlling of our fuel expense on a cost per company tractor operated mile basis.

Fuel expense decreased, as a percentage of operating revenue, to 10.1% in 2016, from 11.5% in 2015, despite the U.S. National Average Diesel Fuel price increased by 13.5% in 2016. Fuel expense, net of Trucking fuel surcharge, expressed as a percentage of Trucking base revenue, increased 10.5% year over year. Fuel efficiency initiatives undertaken during the year, such as trailer blades, idle-control, more fuel-efficient engines, and driver training programs, contributed to the increased controlling of our fuel expense on a cost per company tractor operated mile basis. However, these initiatives were muted by steadily rising fuel prices that began during the first quarter of 2016 and continued throughout the remainder of 2016, as compared to the same periods in 2015, where they consistently fell each quarter.

The Company expects to continue managing its idle time and truck speeds and partnering with customers to adjust fuel surcharge programs to recover a fair portion of rising fuel costs. Going forward, the Company's net fuel expense is expected to fluctuate as a percentage of revenue based on factors such as diesel fuel prices, percentage recovered from fuel surcharge programs, empty mile percentage, the percentage of revenue generated from independent contractors and the success of fuel efficiency initiatives.

Depreciation and amortization and equipment rent

Depreciation and amortization of property and equipment consists primarily of depreciation for Company-owned tractors and trailers and amortization of those financed with capital leases. The primary factors affecting this expense include the number and age of Company tractors and trailers, the acquisition cost of new equipment and the salvage values and useful lives assigned to the equipment. Equipment rent expenses are those related to revenue equipment under operating leases. These largely fixed costs fluctuate as a percentage of base revenue primarily with

increases and decreases in average base revenue per tractor and the percentage of base revenue contributed by Trucking versus USAT Logistics.

The decrease in depreciation and amortization expense in 2017, as compared to 2016, is primarily attributable to the approximately 5.0% smaller Company fleet and more equipment being acquired through lease arrangements instead of debt financing. The increase in equipment rent expense during 2017 was the result of the Company entering into a sale leaseback transaction in March 2017 for 90 tractors and the increased use of operating leases for the acquisition of trailers.

The Company reviews the estimated useful lives and salvage values of its fixed assets on an ongoing basis, based upon, among other things, our experience with similar assets, conditions in the used revenue equipment market, and prevailing industry practice. During the third quarter of 2017, the Company reevaluated the estimated useful lives of its trailers, increasing such lives from 10 to 14 years. Additionally, given the soft used equipment market, the Company lowered the salvage values of its tractor fleet to reflect current estimates of the value of such equipment upon its retirement. The Company believes these changes more accurately reflect the value of the revenue equipment on the accompanying consolidated balance sheets. These changes are being accounted for as a change in estimate. On an annualized basis, based on the number of used trailers and tractors owned as of the third quarter 2017, the Company anticipates these changes in estimates will result in approximately $1.0 million lower depreciation each year.

The increase in equipment rent expense during 2016 was the result of increased use of operating leases for the acquisition of revenue equipment due to favorable terms the Company entered into throughout 2015. Decreases in depreciation and amortization for 2016 were primarily reflective of the approximate 10.0% reduction in the size of the Company-owned tractor fleet resulting from fleet downsizing and the Company's focus on increasing its independent contractor fleet, partially offset by higher depreciation expense attributable to increased acquisition cost of new equipment. The reduction in depreciation from the smaller fleet size more than offset increased equipment rent, which positively impacted our operating results.

The Company intends to continue to focus on improving asset utilization, matching customer demand, growing the independent contractor fleet and strengthening load profitability initiatives. Further, the acquisition costs of new revenue equipment could increase due to the continued implementation of emissions requirements and the inclusion of improved safety and fuel efficiency features.

Insurance and claims

Insurance and claims expense consists of insurance premiums and the accruals the Company makes for estimated payments and expenses for claims for bodily injury, property damage, cargo damage, and other casualty events. The primary factors affecting the Company's insurance and claims expense are the number of miles driven by its Company drivers and independent contractors, the frequency and severity of accidents, trends in the development factors used in the Company's actuarial accruals, developments in prior-year claims, and insurance premiums and self-insured amounts.

Insurance and claims expense increased significantly during 2017 primarily due to a $3.0 million actuarial analysis adjustment in the first quarter stemming from adverse development in our prior year claim layers. The Company expects insurance and claims expense to continue to be volatile over the long-term. In addition, insurance carriers have generally raised premiums for many businesses, including those in the trucking industry, the industry is experiencing a decline in the number of carriers and underwriters that offer excess insurance policies or that are willing to provide insurance for trucking companies, and the necessity to go off-shore for insurance needs has increased. These factors may cause the Company's insurance and claims expense to increase if it has a similar experience at renewal or replacement, or the Company could find it necessary to raise its self-insured retention levels or decrease its aggregate coverage limits.

During 2016, insurance and claims expense decreased due to a lower frequency of collisions, which resulted in a $0.2 million favorable collision expense variance that was partially offset by higher than expected claims experience associated with adverse development of prior year occurrences. As a result of the foregoing, our insurance and claims expense increased slightly as a percentage of operating revenue.

Operations and maintenance

Operations and maintenance expense consists primarily of vehicle repairs and maintenance, general and administrative expenses, and other costs. Operating and maintenance expenses are primarily affected by the age of the Company-owned fleet of tractors and trailers, the number of miles driven in a period and, to a lesser extent, by efficiency measures in the Company's maintenance facilities.

Operations and maintenance expense decreased during 2017, as compared to 2016, primarily as a result of the smaller size of the revenue generating Company tractor fleet, which decreased approximately 5% when compared to the same period in 2016. Additionally, fewer outside repairs contributed to the 5.2% reduction on a cost per mile basis in operations and maintenance spend. We expect maintenance costs to decrease in the near term as we refresh our Company fleet.

During 2016, operations and maintenance expense decreased in absolute terms, but increased as a percentage of operating revenue and was flat as a percentage of base revenue as the Company incurred higher than expected outside maintenance costs for roadside assistance and non-routine repairs. As of December 31, 2016, the Company-owned tractor fleet was approximately 10.0% lower when compared to fleet size at December 31, 2015, as management accelerated the removal of older tractors that would have required higher maintenance.

Purchased transportation

Purchased transportation consists of the payments the Company makes to independent contractors, railroads, and third-party carriers that haul loads brokered to them, including fuel surcharge reimbursement paid to such parties.

The increase in purchased transportation expense during 2017 was primarily due to the 3.1% growth in the size of the independent contractor fleet compared to the 2016 period and increased freight volumes in USAT Logistics. In the near term, the Company is continuing to pursue its objective of growing its independent contractor fleet as a percentage of its total fleet and growing USAT Logistics, which, if successful, could further increase purchased transportation expense, particularly if the Company needs to pay independent contractors more to stay with the Company in light of recently implemented and expected enforcement of regulatory changes. Increasing independent contractor capacity has shifted (and assuming all other factors remain equal, is expected to continue to shift), and growth of USAT Logistics will shift, expenses to the "Purchased transportation" line item with offsetting reductions in employee driver wages and related expenses, net fuel expense (as independent contractors generate fuel surcharge revenue, while the related cost of their fuel is included with their compensation in purchased transportation), maintenance and capital expenditures.

During 2016, the decrease in purchased transportation expense was primarily due to the lower freight volumes in USAT Logistics, partially offset by the 8.3% growth in the size of the independent contractor fleet.

Gain on disposal of assets, net

The decrease in gain on disposal of assets, net, reflects fewer asset disposals in the 2017 period compared to the 2016 period, when the Company reduced its fleet through the accelerated disposal of older, less efficient tractors and trailers. Management believes the used equipment market may continue to show volatility in 2018 and beyond.

During 2016, the decrease in gain on disposal of assets, net, reflected greater fleet reductions in 2015 compared to 2016, as well as a softer used tractor market. During 2015, the Company reduced its fleet through the accelerated disposal of older, less efficient tractors and trailers.

Restructuring, impairment and other costs

See Note 15 to the Company's consolidated financial statements included in Part II, Item 8, in this Form 10-K of the restructuring, impairment and other costs incurred during 2016 and 2015, which is incorporated herein by reference.

Impairment on assets held for sale

As a result of significantly lower prices received for disposals of our owned used revenue equipment during the fourth quarter of 2016, the Company recorded a $2.8 million asset impairment charge to write-down the carrying values of tractors held for sale at December 31, 2016.

Other expenses

The increase in other expenses for 2017 was primarily due to increased recruiting and training expenses partially offset by lower professional service fees. During 2017, the Company incurred approximately $1.3 million in expenses relating to new management hires. To preserve shares under the Incentive Plan for incentive compensation to key employees, especially in light of the Company's stock price at the time that required the issuance of more shares when granting equity awards, the board of directors elected to receive their customary annual equity award in cash and each director then used the net-of-tax proceeds to purchase shares in the open market.

The decrease in other expenses for 2016 primarily reflected a decrease in the Company's professional and consulting fees, offset by increased bad debt expense and recruiting and relocation expenses.

Consolidated Non-Operating Expenses

Interest expense, net

Interest expense, net, increased primarily due to the average debt balance carried throughout 2017 as compared to 2016 and increased interest rates on outstanding borrowings. As of December 31, 2017, the Company decreased its debt outstanding on the Credit Facility by approximately $35.4 million, as compared to December 31, 2016.

In 2016, interest expense, net increased primarily due to the increased outstanding balance on the Credit Facility to fund the Company's stock repurchase program and purchase of revenue equipment. As of December 31, 2016, the Company increased its debt outstanding on the Credit Facility by $26.2 million, as compared to December 31, 2015.

Income tax (benefit) expense

On December 22, 2017, the U.S. Government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax and Jobs Act"), which, among other things, reduces the federal corporate income tax rate from 35% to 21% effective January 1, 2018. As a result of the Tax and Jobs Act, the Company adjusted the measurement of its net deferred tax liabilities at the new corporate income tax rate as of the date the Tax and Jobs Act was signed into law, which resulted in the recognition of a net provisional estimated tax benefit of $12.0 million.

The Company's effective tax rate for the years ended December 31, 2017, 2016 and 2015, were 219.9%, 31.4%, and 42.8%, respectively. In 2017, our effective tax rate was primarily effected by the benefit recognized resulting from the enactment of the Tax Act. Generally, the Company's effective tax rate, when compared to the federal statutory rate of 35% effective through tax year 2017, is primarily affected by state income taxes, net of federal income tax effect, and permanent differences, the most significant of which is the effect of the partially non-deductible per diem pay structure for our drivers. The recurring impact of this permanent non-deductible difference incurred in operating our business causes our tax rate to increase as our pretax earnings or loss approaches zero. Generally, as pretax income or loss 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 pretax income or loss, while in periods where earnings are at or near breakeven the impact of the per diem program on our effective tax rate is significant.

Liquidity and Capital Resources

USA Truck's business has required, and will continue to require, significant capital investments. In the Company's Trucking segment, where capital investments are the most substantial, the primary investments are in new revenue equipment and to a lesser extent, in technology and working capital. In the Company's USAT Logistics segment, where capital investments are generally more modest, the primary investments are in technology and working capital. USA Truck's primary sources of liquidity have been funds provided by operations, borrowings under the Company's Credit Facility, sales of used revenue equipment, and capital and operating leases. Based on expected financial conditions, net capital expenditures, results of operations and related net cash flows and other sources of financing, management believes the Company's sources of liquidity to be adequate to meet current and projected needs.

The Credit Facility contains a single financial covenant, which requires a consolidated fixed charge coverage ratio of at least 1.0 to 1.0 that springs in the event excess availability under the Credit Facility falls below 10% of the lenders' total commitments. Also, certain restrictions regarding the Company's ability to pay dividends, make certain investments, prepay certain indebtedness, execute share repurchase programs and enter into certain acquisitions and hedging arrangements are triggered in the event excess availability under the Credit Facility falls below 20% of the lenders' total commitments. Management believes the Company's excess availability will not fall below 20%, or $34.0 million, and expects the Company to remain in compliance with all debt covenants during the next twelve months.

As of December 31, 2017, the Company had outstanding $5.4 million in letters of credit and had approximately $61.8 million available to borrow under the Credit Facility. Net of cash, debt represented 61.7% of total capitalization. Fluctuations in the outstanding balance and related availability under the Credit Facility are driven primarily by cash flows from operations and the timing and nature of property and equipment additions that are not funded through other sources of financing, as well as the nature and timing of receipt of proceeds from disposals of property and equipment.

Cash flows

Operating Activities – Cash flow from operations for 2017 was $35.5 million, compared to $22.2 million in 2016. Although the Company reported net income of $7.5 million in 2017 versus a net loss in 2016 of ($7.7) million, the Company's net income was significantly and favorably impacted by the revaluation of its deferred tax liabilities. This revaluation did not impact cash flows in 2017. During 2017, the Company's trade accounts payable and accrued expenses and insurance and claims accruals increased by an aggregate amount of $14.1 million, which was a positive impact on cash flow, whereas in 2016 these items decreased by an aggregate amount of $5.4 million, which had a negative impact on cash flows.

During 2016, the $37.9 million decrease in net cash provided by operating activities was primarily driven by a $30.6 million reduction in operating income, as well as an increase in days to collection for receivables resulting from many of our customers extending payment terms during the 2016 bid cycle.

Investing Activities – Net cash provided by investing activities was $13.4 million, compared to $33.9 million used by investing activities during 2016. The $47.3 million increase in cash provided by investing activities primarily reflects an approximately $48.3 million decrease in capital expenditures, and approximately $11.0 million in proceeds from a sale leaseback transaction that was completed in March 2017 for 90 tractors, offset by an approximately $12.0 million decrease in proceeds from the sale of property and equipment. In 2018, we expect net capital expenditures to be approximately $40 million - $50 million.

In 2016, the Company incurred net capital expenditures of approximately $33.9 million, reflecting investments of approximately $59.7 million, primarily in new revenue equipment, less $25.8 million in proceeds of equipment sales. The proceeds of equipment sales were less in 2016 compared to prior years because of a softer used truck market, and new investments were impacted by leasing a portion of the new equipment. Also during 2016, the Company used available cash after net capital expenditures primarily to repurchase approximately 1.6 million of the Company's outstanding shares of common stock for $28.4 million.

Financing Activities – Cash used in financing activities was $48.9 million for the year ended 2017, compared to $11.8 million provided by financing activities during the same period in 2016. The $60.6 million increase in cash used in financing activities was primarily attributable to an approximately $43.0 million reduced borrowing under the Company's Credit Facility, an approximately $24.6 million increase in payments on long-term debt and capital lease obligations, and an approximately $1.6 million decrease in bank drafts payable, offset by approximately $8.5 million less cash used for the purchase of common stock and less cash proceeds from a sale leaseback.

For 2016, cash provided by financing activities was $11.8 million, compared to $40.8 million used in financing activities for 2015. Proceeds from capital sale leasebacks increased $13.6 million compared to 2015. During 2016, the Company had net borrowings of long-term debt of $30.1 million, principal payments on capital leases of $10.0 million and repurchased approximately 1.6 million shares of its common stock for $28.4 million.

Debt and capitalized lease obligations

See "Item 8. Financial Statements and Supplementary Data – Note 7: Long-term Debt" and "Item 8. Financial Statements and Supplementary Data – Note 8: Leases and Commitments" in this Form 10-K for a discussion of the Company's revolving Credit Facility and capital lease obligations, which is incorporated by reference herein.

The following table represents USA Truck's contractual obligations and commercial commitments as of December 31, 2017.

	Payments Due By Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Debt (1)	**$ 65,323**	$ 1,953	$ 63,370	$ --	$ --
Insurance Premium Financing (2)	**4,115**	4,115	--	--	--
Capital lease obligations (3)	**44,457**	14,077	28,149	653	1,578
Purchase obligations (4)	**--**	--	--	--	--
Operating leases – buildings & equipment (5)	**25,738**	11,239	12,981	1,060	458
Total	**$ 139,633**	$ 31,384	$ 104,500	$ 1,713	$ 2,036

(1) Represents revolving line of credit of $61.2 million outstanding plus interest of approximately $4.1 million using a combined interest rate of 3.19% through the termination date of February 5, 2020. See "Item 8. Financial Statements and Supplementary Data – Note 7: Long-term Debt" in this Form 10-K for further discussion.

(2) Represents future obligations under an unsecured note payable with a third party financing company for a portion of the Company's annual insurance premiums. See "Item 8. Financial Statements and Supplementary Data – Note 6: Insurance Premium Financing" in this Form 10-K for further discussion.

(3) Represents remaining payments on capital lease obligations as of December 31, 2017, which includes $2.3 million in interest. The borrowings consist of capital leases with financing companies, with fixed borrowing amounts and fixed interest rates, as set forth on each applicable lease schedule. Accordingly, interest on each lease varies between lease schedules.

(4) Represents purchase obligations for tractor and trailer orders at December 31, 2017.

(5) Represents future monthly rental obligations under operating leases for tractors, facilities and computer equipment. Substantially all lease agreements for revenue equipment have fixed payment terms based on the passage of time.

Off-Balance Sheet Arrangements

Operating leases have been an important source of financing for equipment used by operations, office equipment, and certain facilities. As of December 31, 2017, the Company leased certain revenue equipment and facilities under operating leases. Revenue equipment held under operating leases are not carried on the consolidated balance sheets, and lease payments, with regard to such revenue equipment, are reflected in the consolidated statements of operations and comprehensive (loss) income in the "Equipment rent" expense line item.

Equipment rent expense related to the Company's revenue equipment and facility operating leases is set forth in the table below for the periods indicated (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Equipment rent	**$ 10,173**	$ 7,443	$ 4,424
Building and office rent (1)	**1,619**	2,001	2,297
Total rent expense	**$ 11,792**	$ 9,444	$ 6,721

(1) The expense for building and office rent is recorded in the operations and maintenance line item in the accompanying consolidated statement of operations and comprehensive (loss) income.

The total amount of remaining payments under operating leases as of December 31, 2017, was approximately $26.4 million. Other than such operating leases, no other off-balance sheet arrangements have or are reasonably likely to have a material effect on the Company's consolidated financial statements.

Inflation

Most of the Company's operating expenses are inflation sensitive, and as such, are not always able to be offset through increases in revenue per mile and cost control efforts. The effect of inflation-driven cost increases on overall operating costs is not expected to be greater for USA Truck than for its competitors, and has been minor over the past three years.

Fuel Availability and Cost

The trucking industry is dependent upon the availability of fuel. In the past, fuel shortages or increases in fuel taxes or fuel costs have adversely affected profitability and may continue to do so. USA Truck has not experienced difficulty in maintaining necessary fuel supplies, and in the past has generally been able to partially offset increases in fuel costs and fuel taxes through increased freight rates and through a fuel surcharge that increases incrementally as the average price of fuel increases above an agreed upon baseline price per gallon. Typically, the Company is not able to fully recover increases in fuel prices through freight rate increases and fuel surcharges, primarily because those items are not available with respect to empty and out-of-route miles and idling time, for which the Company generally does not receive compensation from customers. Additionally, most fuel surcharges are based on the average fuel price as published by the DOE for the week prior to the shipment, meaning the Company typically bills customers in the current week based on the previous week's applicable index. Accordingly, in times of increasing fuel prices, the Company does not recover as much as it is currently paying for fuel. In periods of declining prices, for a short period of time the inverse is true. Overall, the U.S. National Average Diesel Fuel price increased by 14.3% compared to 2016.

As of December 31, 2017, the Company did not have any long-term fuel purchase contracts, and has not entered into any fuel hedging arrangements.

Equity

As of December 31, 2017, USA Truck had total stockholders' equity of $66.5 million and total debt including current maturities and insurance premium financing, of $107.5 million, resulting in a total debt, less cash, to total capitalization ratio of 61.7% compared to 72.2% as of December 31, 2016.

Critical Accounting Policies and 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. USA Truck bases its assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time its consolidated financial statements are prepared. Actual results could differ from those estimates, and such differences could be material.

A summary of the significant accounting policies followed in preparation of the Company's financial statements is contained in "Item 8. Financial Statements and Supplementary Data – Note 1: Description of the Business and Summary of Significant Accounting Policies" of this Form 10-K. The most critical accounting policies and estimates that affect the Company's financial statements include the following:

Estimated useful lives and salvage values for purposes of depreciating tractors and trailers. USA Truck operates a significant number of tractors and trailers in connection with its business. The Company may purchase this equipment or acquire it under leases. Purchased equipment is depreciated on the straight-line method over the estimated useful life down to an estimated salvage or trade-in value. Equipment acquired under capital leases is recorded at the net present value of the minimum lease payments and is amortized on the straight-line method over the lease term. Depreciable lives of tractors and trailers range from five years to ten years. Salvage value is estimated at the expected date of trade-in or sale based on the expected market values of equipment at the time of disposal.

Estimates of accrued liabilities for claims involving bodily injury, physical damage losses, employee health benefits and workers' compensation. The primary claims arising against the Company consist of cargo, liability, personal injury, property damage, workers' compensation, and employee medical expenses. The Company's insurance programs typically involve self-insurance with high risk-retention levels. Due to its significant self-insured retention amounts, the Company has exposure to fluctuations in the number and severity of claims and to variations between its estimated and actual ultimate payouts. The Company accrues the estimated cost of the uninsured portion of pending claims and an estimate for allocated loss adjustment expenses including legal and other direct costs associated with a claim. Estimates require judgments concerning the nature and severity of the claim, historical trends, advice from third-party administrators and insurers, the size of any potential damage award based on factors such as the specific facts of individual cases, the jurisdictions involved, the prospect of punitive damages, future medical costs, and inflation estimates of future claims development, and the legal and other costs to settle or defend the claims. USA Truck records 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 anticipated claims amounts expected to be paid in the next twelve months.

Estimate of impairment of long lived assets. We review property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We evaluate recoverability of assets to be held and used by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. We believe that the accounting estimate related to asset impairment is a critical accounting estimate because: (1) it requires our management to make assumptions about future revenues over the life of the asset, and (2) the impact that recognizing an impairment would have on our financial position, as well as our results of operations, could be material. Management's assumptions about future revenues require significant judgment because actual revenues have fluctuated in the past and may continue to do so. In estimating future revenues, we use our internal business forecasts. We develop our forecasts based on recent revenue data for existing services and other industry and economic factors.

Accounting for income taxes. The Company's deferred tax assets and liabilities represent items that will result in taxable income or tax deductions in future years for which we have already recorded the related tax expense or benefit in our consolidated income statements. 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. 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 the likelihood of recovery is not sufficient, a valuation allowance is established for the amount determined not to be realizable.

We believe that we have adequately provided for our future tax consequences based upon current facts and circumstances and current tax law. However, should our tax positions be challenged, different outcomes could result and have a significant impact on the amounts reported through our consolidated income statements.

New Accounting Pronouncements

See "Item 8. Financial Statements and Supplementary Data – Note 1: Description of the Business and Summary of Significant Accounting Policies".

Item 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

USA Truck experiences various market risks, including changes in interest rates and commodity prices. The Company does not enter into derivatives or other financial instruments for hedging or speculative purposes. Because USA Truck's operations are largely confined to the U.S., the Company is not subject to a material amount of foreign currency risk.

Interest Rate Risk. The Company is exposed to interest rate risk primarily from its Credit Facility. The Company's Credit Facility bears variable interest based on the type of borrowing and on the Agent's prime rate or the London Interbank Offered Rate ("LIBOR") plus a certain percentage determined based on a pricing grid dependent upon certain financial ratios. As of December 31, 2017, the Company had $61.2 million outstanding pursuant to its Credit Facility, excluding letters of credit of $5.4 million. Assuming the outstanding balance as of December 31, 2017 remained constant, a hypothetical one-percentage point increase in interest rates applicable to its Credit Facility would increase the Company's interest expense over a one-year period by approximately $0.6 million.

Commodity Price Risk. The Company is subject to commodity price risk with respect to purchases of fuel. In recent years, fuel prices have fluctuated greatly and have generally increased, although recently the Company experienced a significant decrease in 2015. In some periods, the Company's operating performance was adversely affected because it was not able to fully offset the impact of higher diesel fuel prices through increased freight rates and fuel surcharge revenue recoveries. Management cannot predict how fuel price levels will continue to fluctuate in the future or the extent to which fuel surcharge revenue recoveries could be collected to offset any increases. As of December 31, 2017, the Company did not have any derivative financial instruments to reduce its exposure to fuel price fluctuations, but may use such instruments in the future. Accordingly, volatile fuel prices may continue to impact the Company significantly. A significant increase in fuel costs, or a shortage of diesel fuel, could materially and adversely affect the Company's results of operations. Further, higher fuel costs could contribute to driver shortages in the trucking industry generally by forcing independent contractors to cease operations. Based on the Company's fuel consumption for 2017, a 10% increase in the average price per gallon would result in an approximately $4.6 million increase in fuel expense before taking into account application of the Company's fuel surcharge program.

Item 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

The Consolidated Financial Statements of the Company as of December 31, 2017 and 2016, and for the years ended December 31, 2017, 2016, and 2015, together with related notes and the report of Grant Thornton LLP, independent registered public accountants, are set forth on the following pages.

Index to Consolidated Financial Statements

	Page
Audited Financial Statements of USA Truck, Inc.	
Report of independent registered public accounting firm	46
Consolidated balance sheets as of December 31, 2017 and 2016	47
Consolidated statements of operations and comprehensive income (loss) for the years ended December 31, 2017, 2016 and 2015	48
Consolidated statements of stockholders' equity for the years ended December 31, 2017, 2016 and 2015	49
Consolidated statements of cash flows for the years ended December 31, 2017, 2016 and 2015	50
Notes to Consolidated Financial Statements	51

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
USA Truck, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of USA Truck, Inc. (a Delaware corporation) and subsidiary (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive (loss) income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 28, 2018, expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2006.

Tulsa, Oklahoma
February 28, 2018

USA Truck, Inc.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	As of December 31,	
	2017	2016 (Recast)
Assets		
Current assets:		
Cash	**$ 71**	$ 122
Accounts receivable, net of allowance for doubtful accounts of $639 and $608, respectively	**55,138**	55,127
Other receivables	**2,787**	6,986
Inventories	**458**	413
Assets held for sale	**112**	4,661
Prepaid expenses and other current assets	**6,025**	6,187
Total current assets	**64,591**	73,496
Property and equipment:		
Land and structures	**31,452**	31,500
Revenue equipment	**252,484**	269,953
Service, office and other equipment	**26,209**	25,295
Property and equipment, at cost	**310,145**	326,748
Accumulated depreciation and amortization	**(122,329)**	(106,465)
Property and equipment, net	**187,816**	220,283
Other assets	**1,448**	1,189
Total assets	**$ 253,855**	$ 294,968
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 24,332**	$ 18,779
Current portion of insurance and claims accruals	**13,552**	10,665
Accrued expenses	**9,108**	7,533
Current maturities of capital leases	**12,929**	16,742
Insurance premium financing	**4,115**	3,943
Total current liabilities	**64,036**	57,662
Deferred gain	**480**	652
Long-term debt, less current maturities	**61,225**	96,600
Capital leases, less current maturities	**29,216**	35,133
Deferred income taxes	**21,136**	37,775
Insurance and claims accruals, less current portion	**11,274**	8,558
Total liabilities	**187,367**	236,380
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, $0.01 par value; 1,000,000 shares authorized; none issued	**--**	--
Common Stock, $0.01 par value; 30,000,000 shares authorized; issued 12,142,391 shares, and 12,156,376 shares, respectively	**121**	122
Additional paid-in capital	**68,667**	68,375
Retained earnings	**65,460**	57,963
Less treasury stock, at cost (3,853,064 shares, and 3,849,815 shares, respectively)	**(67,760)**	(67,872)
Total stockholders' equity	**66,488**	58,588
Total liabilities and stockholders' equity	**$ 253,855**	$ 294,968

See accompanying notes to consolidated financial statements.

USA Truck, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(in thousands, except per share amounts)

	For the Years Ended December 31,		
	2017	2016	2015
Operating revenue	**$ 446,533**	$ 429,099	$ 507,934
Operating expenses:			
Salaries, wages and employee benefits	**122,297**	122,408	140,649
Fuel and fuel taxes	**45,853**	43,179	58,511
Depreciation and amortization	**28,463**	29,954	37,480
Insurance and claims	**25,628**	21,154	21,183
Equipment rent	**10,173**	7,443	4,424
Operations and maintenance	**31,001**	34,252	39,644
Purchased transportation	**164,012**	148,972	161,370
Operating taxes and licenses	**4,068**	4,695	5,720
Communications and utilities	**2,713**	3,239	3,599
Gain on disposal of assets, net	**(773)**	(1,116)	(7,547)
Restructuring, impairment and other costs	**--**	5,264	2,742
Impairment on assets held for sale	**--**	2,839	--
Other	**15,166**	14,332	17,088
Total operating expenses	**448,601**	436,615	484,863
Operating (loss) income	**(2,068)**	(7,516)	23,071
Other expenses:			
Interest expense, net	**3,808**	3,178	2,237
Loss on extinguishment of debt	**--**	--	750
Other, net	**387**	524	743
Total other expenses, net	**4,195**	3,702	3,730
(Loss) income before income taxes	**(6,263)**	(11,218)	19,341
Income tax (benefit) expense	**(13,760)**	(3,519)	8,272
Net income (loss) and comprehensive income (loss)	**$ 7,497**	$ (7,699)	$ 11,069
Net earnings (loss) per share:			
Average shares outstanding (basic)	**8,029**	8,550	10,337
Basic earnings (loss) per share	**$ 0.93**	$ (0.90)	$ 1.07
Average shares outstanding (diluted)	**8,056**	8,550	10,401
Diluted earnings (loss) per share	**$ 0.93**	$ (0.90)	$ 1.06

See accompanying notes to consolidated financial statements.

USA Truck, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Common Stock		Additional			
	Shares	Par Value	Paid-in Capital	Retained Earnings	Treasury Stock	Total
Balance at December 31, 2014	11,873	$ 119	$ 65,850	$ 54,802	$ (21,703)	$ 99,068
Exercise of stock options	32	--	168	--	--	168
Excess tax benefit on exercise of stock options	--	--	721	--	--	721
Transfer of stock into (out of) treasury stock	--	--	(52)	--	(17,880)	(17,932)
Stock-based compensation	--	--	1,093	--	--	1,093
Restricted stock award grant	141	1	(1)	--	--	--
Forfeited restricted stock	(84)	(1)	1	--	--	--
Net share settlement related to restricted stock vesting	(16)	--	(410)	--	--	(410)
Net income	--	--	--	11,069	--	11,069
Balance at December 31, 2015	11,946	119	67,370	65,871	(39,583)	93,777
Exercise of stock options	2	--	3	--	--	3
Excess tax benefit on exercise of stock options	--	--	(135)	--	--	(135)
Transfer of stock into (out of) treasury stock	--	--	(40)	--	(28,372)	(28,412)
Issuance of treasury stock to fill equity grants	--	--	(26)	--	83	57
Stock-based compensation	--	--	976	--	--	976
Restricted stock award grant	319	4	(4)	--	--	--
Forfeited restricted stock	(102)	(1)	1	--	--	--
Net share settlement related to restricted stock vesting	(9)	--	(104)	--	--	(104)
Net loss	--	--	--	(7,699)	--	(7,699)
Balance at December 31, 2016	12,156	122	68,041	58,172	(67,872)	58,463
Effect of adoption of share-based payment pronouncement ASU 2016-09 (see note 1)	--	--	334	(209)	--	125
Balance at December 31, 2016, as recast	12,156	122	68,375	57,963	(67,872)	58,588
Issuance of treasury stock	**--**	**--**	**(170)**	**--**	**112**	**(58)**
Stock-based compensation	**--**	**--**	**459**	**--**	**--**	**459**
Restricted stock award grant	**199**	**1**	**(1)**	**--**	**--**	**--**
Forfeited restricted stock	**(213)**	**(2)**	**2**	**--**	**--**	**--**
Net share settlement related to restricted stock vesting	**--**	**--**	**2**	**--**	**--**	**2**
Net income	**--**	**--**	**--**	**7,497**	**--**	**7,497**
Balance at December 31, 2017	**12,142**	**$ 121**	**$ 68,667**	**$ 65,460**	**$ (67,760)**	**$ 66,448**

See accompanying notes to consolidated financial statements.

USA Truck, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	For the Years Ended December 31,		
Operating activities	**2017**	2016	2015
Net income (loss)	**$ 7,497**	$ (7,699)	$ 11,069
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	**28,463**	29,954	37,480
Provision for doubtful accounts	**311**	515	127
Deferred income tax (benefit) provision	**(16,639)**	(55)	2,876
Share-based compensation	**459**	976	1,093
Loss on extinguishment of debt	**--**	--	750
Change in vacation policy	**--**	--	(1,383)
Gain on disposal of assets, net	**(773)**	(1,116)	(7,547)
Asset impairments	**--**	3,909	--
Other	**(171)**	(47)	232
Changes in operating assets and liabilities:			
Accounts receivable	**2,323**	1,949	11,540
Inventories, prepaid expenses and other current assets	**117**	(979)	409
Trade accounts payable and accrued expenses	**8,526**	(5,945)	2,539
Insurance and claims accruals	**5,603**	509	1,689
Other long-term assets and liabilities	**(259)**	216	(749)
Net cash provided by operating activities	**35,457**	22,187	60,125
Investing activities			
Purchases of property and equipment	**(13,976)**	(59,751)	(66,186)
Proceeds from sale of property and equipment	**13,875**	25,849	38,774
Proceeds from operating sale leaseback	**10,980**	--	7,975
Net cash provided by (used in) investing activities	**10,879**	(33,902)	(19,437)
Financing activities			
Borrowings under long-term debt	**29,991**	73,009	140,738
Principal payments on long-term debt	**(65,633)**	(42,866)	(141,456)
Principal payments on capitalized lease obligations	**(11,811)**	(9,969)	(27,121)
Principal payments on note payable	**--**	--	(896)
Net change in bank drafts payable	**(1,398)**	240	(926)
Excess tax benefit from exercise of stock options	**--**	(135)	721
Proceeds from capital sale leaseback	**2,520**	19,927	6,308
Purchase of common stock	**--**	(28,412)	(17,932)
Issuance of treasury stock	**(58)**	57	--
Net proceeds or (payments) from stock based awards	**2**	(101)	(242)
Net cash (used in) provided by financing activities	**(46,387)**	11,750	(40,806)
(Decrease) increase in cash and cash equivalents	**(51)**	35	(118)
Cash and cash equivalents:			
Beginning of year	**122**	87	205
End of year	**$ 71**	$ 122	$ 87
Supplemental disclosure of cash flow information			
Cash paid during the period for:			
Interest	**$ 3,862**	$ 3,382	$ 2,084
Income taxes	**175**	716	9,808

See accompanying notes to consolidated financial statements.

USA Truck, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business

USA Truck, Inc. is a Delaware corporation and subsidiary (together, the "Company") headquartered in Van Buren, Arkansas. The Company transports commodities throughout the contiguous United States and into and out of portions of Canada, as well as transports general commodities into and out of Mexico by offering through-trailer service from its terminal in Laredo, Texas. The Company has two reportable segments: (i) Trucking, consisting of the Company's truckload and dedicated freight service offerings, and (ii) USAT Logistics, consisting of the Company's freight brokerage, logistics, and rail intermodal service offerings.

Basis of presentation

The accompanying consolidated financial statements include USA Truck, Inc., and its wholly owned subsidiary. All significant intercompany balances and transactions have been eliminated in preparing the consolidated financial statements. Certain amounts reported in prior periods have been reclassified to conform to the current year presentation.

The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP"), and include all adjustments necessary for the fair presentation of the periods presented.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors which management believes to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying amount reported in the balance sheets for cash and cash equivalents approximates its fair value.

Allowance for doubtful accounts

The allowance for doubtful accounts is management's estimate of the amount of probable credit losses in the Company's existing accounts receivable. Management reviews the financial condition of customers for granting credit and determines the allowance based on analysis of individual customers' financial condition, historical write-off experience and national economic conditions. The Company evaluates the adequacy of its allowance for doubtful accounts quarterly. The Company does not have any off-balance-sheet credit exposure related to its customers.

The following table provides a summary of the activity in the allowance for doubtful accounts for 2017, 2016, and 2015 (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Balance at beginning of year	**$ 608**	$ 608	$ 1,020
Provision for doubtful accounts	**311**	515	127
Uncollectible accounts written off, net of recovery	**(280)**	(515)	(539)
Balance at end of year	**$ 639**	$ 608	$ 608

Assets held for sale

When we plan to dispose of property by sale, the asset is carried in the financial statements at the lower of the carrying amount or estimated fair value, less cost to sell, and is reclassified to assets held for sale. Additionally, after such reclassification, there is no further depreciation taken on the asset. In order for an asset to be classified as held for sale, management must approve and commit to a formal plan of disposition, the sale must be anticipated during the ensuing year, the asset must be actively marketed, the asset must be available for immediate sale, and meet certain other specified criteria. The Company recorded a charge of $2.8 million for the year ended December 31, 2016, to reduce assets held for sale to estimated fair value, less cost to sell. This charge is included in "Impairment on assets held for sale", in the accompanying statements of operations.

Valuation of long-lived assets

We review property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We evaluate recoverability of assets to be held and used by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company performed the impairment analysis of the carrying value of its fleet, which is the lowest level of identifiable cash flows. Our analysis of undiscounted cash flows indicated no impairment existed for long-lived assets at December 31, 2017 or 2016.

Treasury stock

The Company uses the cost method to record treasury stock purchases whereby the entire cost of the acquired shares of our common stock is recorded as treasury stock (at cost). When the Company subsequently reissues these shares, proceeds in excess of cost upon the issuance of treasury shares are credited to additional paid in capital, while any deficiency is charged to equity. The Company recorded charges to equity of $0.1 million for each of the years ended December 31, 2017 and 2016, respectively. These charges were for the expensing of an inducement grant made to the Mr. James Reed in November 2016.

Earnings per share data

The Company calculates basic earnings per share based on the weighted average number of its common shares outstanding for the applicable period. The Company calculates diluted earnings per share based on the weighted average number of its common shares outstanding for the period plus all potentially dilutive securities using the treasury stock method, whereby the Company assumes that all such shares are converted into common shares at the beginning of the period, if deemed to be dilutive. If the Company incurs a loss from continuing operations, the effect of potentially dilutive common stock equivalents (stock options and unvested restricted stock awards) are excluded from the calculation of diluted earnings per share because the effect would be anti-dilutive. Performance shares are excluded from contingent shares for purposes of calculating diluted weighted average shares until the performance measure criteria is probable and shares are likely to be issued.

Inventories

Inventories consist of tires and parts, and are stated at the lower of cost or market. These items are expensed as used on a first in first out basis.

Property and equipment

Property and equipment is capitalized in accordance with the Company's asset capitalization policy. The capitalized property is depreciated by the straight-line method using the following estimated useful lives: structures – 15 to 39.5 years; revenue equipment – 5 to 14 years; and service, office and other equipment – 3 to 10 years. We capitalize tires placed in service on new revenue equipment as part of the equipment cost. Replacement tires and recapping costs are expensed as incurred.

Depreciable lives and salvage value of assets

We review the appropriateness of depreciable lives and salvage values for each category of property and equipment. These studies utilize models, which take into account actual usage, physical wear and tear, and replacement history to calculate remaining life of our asset base. We also make assumptions regarding future conditions in determining potential salvage values. These assumptions impact the amount of depreciation expense recognized in the period and any gain or loss once the asset is disposed. During the third quarter of 2017, the Company reevaluated the estimated useful lives of its trailers, increasing such lives from 10 to 14 years. Additionally, given the soft used equipment market, the Company lowered the salvage values of its tractor fleet to reflect current estimates of the value of such equipment upon its retirement. These changes are being accounted for as a change in estimate, and the net effect is not expected to have a material impact on the either current or future financial statements. Actual disposition values may be greater or less than expected due to the length of time before disposition.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company has analyzed filing positions in its federal and applicable state tax returns in all open tax years. The Company's policy is to recognize interest related to unrecognized tax benefits as interest expense and penalties as operating expenses. The Company analyzes its tax positions on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material change to its consolidated financial position, results of operations and cash flows. Therefore, no reserves for uncertain income tax positions or associated interest or penalties on uncertain tax positions have been recorded.

The SEC staff issued Staff Accounting Bulletin 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the Tax Cuts and Jobs Act of 2017 ("Tax and Jobs Act"). SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act. The Company has recorded amounts based on the information known and reasonable estimates used as of December 31, 2017, but are subject to change based on a number of factors. The Company will complete its analysis of certain tax positions at the time it files its tax returns for the year ended December 31, 2017 and will be able to conclude if any further adjustments to the provisional estimate of the impact recorded is required.

Claims accruals

The primary claims arising against the Company consist of cargo loss and damage, liability, personal injury, property damage, workers' compensation, and employee medical expenses. The Company has exposure to fluctuations in the frequency and severity of claims and to variations between its estimated and actual ultimate payouts up to the Company's self-insured retention level. Estimates require judgments concerning the nature and severity of the claim, as well as other factors. Actual settlement of the self-insured claim liabilities could differ from management's initial assessment due to uncertainties and fact development.

Restricted stock

Restricted stock cannot be sold by the recipient until its restrictions have lapsed. The Company recognizes compensation expense related to these awards over the vesting periods based on the closing prices of the Company's

common stock on the grant dates. If these awards contain performance criteria the grant date fair value is set assuming performance at target, and management periodically reviews actual performance against the criteria and adjusts compensation expense accordingly. These shares are legally considered issued and outstanding under the terms on the restricted stock agreement.

Revenue recognition

Revenue generated by the Company's Trucking segment is recognized as services are provided. Revenue generated by the Company's USAT Logistics segment is recognized upon completion of the services provided. Revenue is recorded on a gross basis, without deducting third party purchased transportation costs, because the Company acts as a principal with substantial risks as primary obligor.

New accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to implement this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing GAAP. The standard provides for using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a modified retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). Transportation revenue recognized under the new standard will change our revenue recognition within our USAT Logistics segment from recognition of revenue at completion to recognizing revenue proportionately as the transportation services are performed. This change did not materially impact our operations or IT infrastructure. In our Trucking segment, where revenue is recognized as services are provided, we expect revenue recognition to remain the same. The Company expects to adopt ASU 2014-09 using the full retrospective method.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which requires lessees to recognize a right-to-use asset and a lease obligation for all leases. Lessees are permitted to make an accounting policy election to not recognize an asset and liability for leases with a term of twelve months or less. Lessor accounting under the new standard is substantially unchanged. Additional qualitative and quantitative disclosures, including significant judgments made by management, will be required. The new standard, which will become effective for the Company beginning with the first quarter 2019, requires a modified retrospective transition approach and includes a number of practical expedients. Early adoption of the standard is permitted. The Company is currently evaluating the impacts the adoption of this accounting guidance will have on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which simplifies several aspects of the accounting for employee share-based payment transactions including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification of related amounts within the statement of cash flows. The Company adopted the provisions of ASU 2016-09 as of January 1, 2017. As a result, the Company changed its accounting policy to recognize forfeitures as they occur and recognized a positive net cumulative adjustment of $0.1 million to stockholder's equity at December 31, 2016. The requirement to recognize excess tax benefits and deficiencies as income tax expense or benefit in the income statement was applied prospectively, with no material impact on the financial statements for the year ended December 31, 2017.

NOTE 2. SEGMENT REPORTING

The Company's two reportable segments are Trucking and USAT Logistics. In determining its reportable segments, the Company's management focuses on financial information, such as operating revenue, operating expense categories, operating ratios and operating income, as well as on key operating statistics, to make operating decisions.

Trucking. Trucking is comprised of one-way truckload and dedicated freight motor carrier services. Truckload provides motor carrier services as a medium to long-haul common and contract carrier. USA Truck has provided truckload motor carrier services since its inception, and continues to derive the largest portion of its gross revenue

from these services. Dedicated freight provides truckload motor carrier services to specific customers for movement of freight over particular routes at specified times.

USAT Logistics. USAT Logistics' service offerings consist of freight brokerage, logistics, and rail intermodal services. Each of these service offerings match customer shipments with available equipment of authorized third-party motor carriers and other service providers and provide services that complement the Company's Trucking operations. The Company provides these services primarily to existing Trucking customers, many of whom prefer to rely on a single service provider, or a small group of service providers, to provide all their transportation solutions.

Revenue equipment assets are not allocated to USAT Logistics as freight services for customers are brokered through arrangements with third party motor carriers who utilize their own equipment. To the extent rail intermodal operations require the use of Company-owned assets, they are obtained from the Company's Trucking segment on an as-needed basis. Depreciation and amortization expense is allocated to USAT Logistics based on the Company-owned assets specifically utilized to generate USAT Logistics revenue. All intercompany transactions between segments reflect rates similar to those that would be negotiated with independent third parties. All other expenses for USAT Logistics are specifically identifiable direct costs or are allocated to USAT Logistics based on relevant cost drivers, as determined by management.

Customer Concentration

Services provided to the Company's largest customer, Walmart Inc., generated approximately 14%, 12%, and 11% of consolidated operating revenue for the years ended 2017, 2016, and 2015, respectively. Operating revenue generated by Walmart Inc. is reported in both the Trucking and USAT Logistics operating segments. No other customer accounted for 10% or more of operating revenue in the stated reporting periods.

A summary of operating revenue by segment is as follows (in thousands):

	Year Ended December 31,		
Operating revenue:	**2017**	2016	2015
Trucking revenue (1)	**$ 302,943**	$ 295,807	$ 356,528
Trucking intersegment eliminations	**(891)**	(1,281)	(2,048)
Trucking operating revenue	**302,052**	294,526	354,480
USAT Logistics revenue (2)	**152,137**	140,847	158,295
USAT Logistics intersegment eliminations	**(7,656)**	(6,274)	(4,841)
USAT Logistics operating revenue	**144,481**	134,573	153,454
Total operating revenue	**$ 446,533**	$ 429,099	$ 507,934

(1) Includes foreign revenue of $35.5 million, $36.9 million, and $42.0 million for the years ended December 31, 2017, 2016 and 2015, respectively. All foreign revenue is collected in U.S. dollars.

(2) USAT Logistics de Mexico was established on March 4, 2017. Foreign revenue for the year ended December 31, 2017 was $2.1 million. All foreign revenue is collected in U.S. dollars.

A summary of operating (loss) income by segment is as follows (in thousands):

	Year Ended December 31,		
Operating (loss) income:	**2017**	2016	2015
Trucking	**$ (9,667)**	$ (14,789)	$ 11,088
USAT Logistics	**7,599**	7,273	11,983
Total operating (loss) income	**$ (2,068)**	$ (7,516)	$ 23,071

A summary of depreciation and amortization by segment is as follows (in thousands):

	Year Ended December 31,		
Depreciation and amortization:	**2017**	2016	2015
Trucking	**$ 28,002**	$ 29,467	$ 37,140
USAT Logistics	**461**	487	340
Total depreciation and amortization	**$ 28,463**	$ 29,954	$ 37,480

NOTE 3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following (in thousands):

	Year Ended December 31,	
	2017	2016
Prepaid licenses, permits and tolls	**1,398**	1,333
Prepaid insurance	**3,574**	3,375
Other	**1,053**	1,479
Total prepaid expenses and other current assets	**$ 6,025**	$ 6,187

NOTE 4. NOTE RECEIVABLE

During 2010, the Company sold its terminal facility in Shreveport, Louisiana. In connection with this sale, the Company received cash in the amount of $0.2 million and a note receivable in the amount of $2.1 million which was recorded in the line item "Other Receivables" in the accompanying condensed consolidated balance sheets at December 31, 2016. The purchaser-debtor was to make monthly payments to the Company, with interest, until the balance of the note receivable was paid through a lump sum payment due in November 2015. The Company had previously deferred $0.7 million of gain on the sale of the property, with the gain recognized into earnings only as monthly payments on the note receivable were received.

The purchaser-debtor defaulted on the note receivable in November 2015, at which time the Company began legal action to collect the remaining balance. The foreclosure sale was held on April 26, 2017, and a successful bid was placed by a third party for $1.6 million, which exceeded the $1.4 million carrying value of the note. During the second quarter of 2017, the Company received cash from the foreclosure sale and recognized a $0.2 million gain.

NOTE 5. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	Year Ended December 31,	
	2017	2016
Salaries, wages and employee benefits	**$ 3,604**	$ 2,480
Federal and state tax accruals	**3,587**	1,579
Restructuring, impairment and other costs (1)	**770**	1,404
Other (2)	**1,147**	2,070
Total accrued expenses	**$ 9,108**	$ 7,533

(1) Refer to Note 15 below for additional information regarding the restructuring, impairment and other costs.

(2) As of December 31, 2017 and December 31, 2016, no single item included within other accrued expenses exceeded 5.0% of our total current liabilities.

NOTE 6. INSURANCE PREMIUM FINANCING

On October 1, 2017, the Company executed an unsecured note payable of $4.1 million to a third party financing company for a portion of the Company's annual insurance premiums. The note, which is payable in quarterly installments of principal and interest of approximately $1.4 million, bears interest at 3.0% and matures in October 2018. The balance of the note payable as of December 31, 2017 was $4.1 million.

NOTE 7. LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):

	Year Ended December 31,	
	2017	2016
Revolving credit agreement	**$ 61,225**	$ 96,600

Credit facility

In February 2015, the Company entered into a new senior secured revolving credit facility (the "Credit Facility") with a group of lenders and Bank of America, N.A., as agent ("Agent"). Contemporaneously with the funding of the Credit Facility, the Company paid off the obligations under and terminated its prior credit facility.

The Credit Facility is structured as a $170.0 million revolving credit facility, with an accordion feature that, so long as no event of default exists, allows the Company to request an increase in the revolving credit facility of up to $80.0 million, exercisable in increments of $20.0 million. The Credit Facility is a five-year facility scheduled to terminate on February 5, 2020. Borrowings under the Credit Facility are classified as either "base rate loans" or "LIBOR loans". Base rate loans accrue interest at a base rate equal to the Agent's prime rate plus an applicable margin between 0.25% and 1.00% that is adjusted quarterly based on the Company's consolidated fixed charge coverage ratio. LIBOR loans accrue interest at the London Interbank Offered Rate ("LIBOR") plus an applicable margin between 1.25% and 2.00% that is adjusted two days prior to each 30-day interest period for a term equivalent to such period based on the Company's consolidated fixed charge coverage ratio. The Credit Facility includes, within its $170.0 million revolving credit facility, a letter of credit sub-facility in an aggregate amount of $15.0 million and a swingline sub-facility (the "Swingline") in an aggregate amount of $20.0 million. An unused line fee of 0.25% is applied to the average daily amount by which the lenders' aggregate revolving commitments exceed the outstanding principal amount of revolver loans and the aggregate undrawn amount of all outstanding letters of credit issued under the Credit Facility. The Credit Facility is secured by a pledge of substantially all of the Company's assets, except for any real estate or revenue equipment financed outside the Credit Facility.

Borrowings under the Credit Facility are subject to a borrowing base limited to the lesser of (A) $170.0 million; or (B) the sum of (i) 90% of eligible investment grade accounts receivable (reduced to 85% in certain situations), plus (ii) 85% of eligible non-investment grade accounts receivable, plus (iii) the lesser of (a) 85% of eligible unbilled accounts receivable and (b) $10.0 million, plus (iv) the product of 85% multiplied by the net orderly liquidation value percentage applied to the net book value of eligible revenue equipment, plus (v) 85% multiplied by the net book value of otherwise eligible newly acquired revenue equipment that has not yet been subject to an appraisal. The borrowing base is reduced by an availability reserve, including reserves based on dilution and certain other customary reserves.

The Credit Facility contains a single financial covenant, which requires a consolidated fixed charge coverage ratio of at least 1.0 to 1.0 that springs in the event excess availability under the Credit Facility falls below 10% of the lenders' total commitments. Also, certain restrictions regarding the Company's ability to pay dividends, make certain investments, prepay certain indebtedness, execute share repurchase programs and enter into certain acquisitions and hedging arrangements are triggered in the event excess availability under the Credit Facility falls below 20% of the lenders' total commitments. Management believes the Company's excess availability will not fall below 20%, or $34.0 million, and expects the Company to remain in compliance with all debt covenants during the next twelve months.

The Credit Facility 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 Credit Facility may be accelerated, and the lenders' commitments may be terminated. The Credit Facility contains certain

restrictions and covenants relating to, among other things, dividends, liens, acquisitions and dispositions, affiliate transactions and other indebtedness.

The Company had no overnight borrowings under the Swingline as of December 31, 2017. The average interest rate for all borrowings made under the Credit Facility as of December 31, 2017, was 3.19%. As debt is repriced on a monthly basis, the borrowings under the Credit Facility approximate fair value. As of December 31, 2017, the Company had outstanding $5.4 million in letters of credit and had approximately $61.8 million available to borrow under the Credit Facility.

NOTE 8. LEASES AND COMMITMENTS

Capital leases

The Company leases certain equipment under capital leases with terms ranging from 15 to 60 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
December 31, 2017	**$ 66,785**	**$ 23,254**	**$ 43,531**
December 31, 2016	69,748	17,428	52,320

The Company has capitalized lease obligations relating to revenue equipment of $42.1 million, of which $12.9 million represents the current portion. These leases have various termination dates extending through November 2024 and contain renewal or fixed price purchase options. The effective interest rates on the leases range from nil to 3.11% as of December 31, 2017. The lease agreements require payment of property taxes, maintenance and operating expenses. Amortization of assets under capital leases was $7.4 million, $6.2 million and $8.3 million for the years ended December 31, 2017, 2016, and 2015, respectively.

For 2017 and 2016, respectively, the Company completed capital sale-leaseback transactions under which certain Company-owned tractors were sold to an unrelated party for net proceeds of $2.5 million and $19.9 million under 48 month terms. For 2017 and 2016, respectively, the Company recorded liabilities of approximately $0.0 and $0.1 million representing the total gain on sale and amortizes such amounts to earnings ratably over the lease terms. The deferred gains are included in the deferred gain line item on the accompanying consolidated balance sheet.

Operating leases

The Company has entered into leases with lessors who did not participate in the Credit Facility. Operating lease payments are set forth in the table below for the periods indicated (in thousands).

	Year Ended December 31,		
	2017	2016	2015
Equipment rent	**$ 10,173**	$ 7,443	$ 4,424
Building and office rent (1)	**1,619**	2,001	2,297
Total rent expense	**$ 11,792**	$ 9,444	$ 6,721

(1) The expense for building and office rent is recorded in the operations and maintenance line item in the accompanying consolidated statement of operations and comprehensive income (loss).

During the first quarter of 2017, the Company completed an operating sale-leaseback transaction under which it sold certain owned tractors to an unrelated party for net proceeds of $11.0 million and entered into an operating lease with the buyer for a term of 41 months. The Company recorded a deferred gain of approximately $0.03 million on the sale, which is amortized to earnings ratably over the lease term. The deferred gain is included in the “Deferred gain” line item in the accompanying condensed consolidated balance sheets.

As of December 31, 2017, the future minimum payments including interest under capitalized leases with initial terms of one year or more and future rentals under operating leases for certain facilities, office equipment and revenue equipment with initial terms of one year or more were as follows for the years indicated (in thousands).

	2018	2019	2020	2021	2022	Thereafter
Future minimum payments	$ 14,077	$ 12,317	$ 15,832	$ 326	$ 327	$ 1,578
Future rentals under operating leases	11,239	8,216	4,765	676	384	458

Other commitments

As of December 31, 2017, the Company had no commitments for purchases of revenue and non-revenue equipment. The Company typically has the option to cancel revenue equipment orders within a 60 to 90 day period prior to scheduled production.

NOTE 9. FEDERAL AND STATE INCOME TAXES

Significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	Year Ended December 31,	
	2017	2016 (recast)
Deferred tax assets:		
Accrued expenses not deductible until paid	**$ 6,062**	$ 7,231
Federal credits	**--**	2,023
Impairment loss on assets held for sale	**--**	1,090
Net operating loss carry forwards	**496**	731
Allowance for doubtful accounts	**246**	182
Equity incentive plan	**178**	265
Other	**124**	292
Revenue recognition	**110**	113
Total deferred tax assets	**7,216**	11,927
Deferred tax liabilities:		
Tax over book depreciation	**(26,806)**	(47,217)
Prepaid expenses deductible when paid	**(1,514)**	(2,375)
Capital leases	**(32)**	(235)
Effect of adoption of share-based payment pronouncement ASU 2016-09	**--**	125
Total deferred tax liabilities	**(28,352)**	(49,702)
Net deferred tax liabilities	**$ (21,136)**	$ (37,775)

The Company has certain state net operating loss carryovers that expire in varying years through 2036. The Company expects to fully utilize its tax attributes in future years before they expire.

On December 22, 2017, the U.S. Government enacted the Tax Cuts and Jobs Act, which, among other things, reduces the federal corporate income tax rate from 35% to 21% effective January 1, 2018. In connection with the tax law change, the Company adjusted the measurement of it federal deferred tax assets and liabilities utilizing the rate which will be in effect when the differences reverse, which is generally 21%. This adjustment resulted in a $12.0 million reduction to our net deferred tax liability.

Significant components of the provision (benefit) for income taxes are as follows (in thousands):

	Year Ended December 31,		
Current:	**2017**	2016	2015
Federal	**$ 2,689**	$ (3,420)	$ 4,526
State	**190**	(44)	870
Total current	**2,879**	(3,464)	5,396
Deferred:			
Federal	**(16,812)**	439	2,985
State	**173**	(494)	(109)
Total deferred	**(16,639)**	(55)	2,876
Total income tax (benefit) expense	**$ (13,760)**	$ (3,519)	$ 8,272

A reconciliation between the effective income tax rate and the statutory federal income tax rate of 35% is as follows (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Income tax (benefit) expense at statutory federal rate	**$ (2,190)**	$ (3,926)	$ 6,790
Federal income tax effects of:			
State income tax expense (benefit)	**76**	188	(289)
Per diem and other nondeductible meals and entertainment	**578**	614	702
Impact of Tax Cuts and Jobs Act	**(12,010)**	--	--
Other	**--**	143	306
Federal income tax (benefit) expense	**(13,546)**	(2,981)	7,509
State income tax (benefit) expense	**(214)**	(538)	763
Total income tax (benefit) expense	**$ (13,760)**	$ (3,519)	$ 8,272
Effective tax rate	**219.9 %**	31.4 %	42.8 %

In 2017, our effective rate varied from the federal statutory rate primarily due to the Tax Cuts and Jobs Act being signed into law resulting in the recognition of an estimated $12.0 million tax benefit from the adjustment in measurement of our net deferred tax liability. In 2015 and 2016, the effective rates varied from the statutory federal tax rate primarily due to state income taxes and certain non-deductible expenses including a per diem pay structure for drivers. Due to the partially nondeductible effect of per diem pay, the Company's tax rate will change based on fluctuations in earnings (losses) and in the number of drivers who elect to receive this pay structure. Generally, as pretax income or loss 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 pretax income or loss, while in periods where earnings are at or near breakeven the impact of the per diem program on our effective tax rate is significant.

NOTE 10. EQUITY COMPENSATION AND EMPLOYEE BENEFIT PLANS

The Company adopted the 2014 Omnibus Incentive Plan (the "Incentive Plan") in May 2014. The Incentive Plan replaced the 2004 Equity Incentive Plan and provided for the granting of up to 500,000 shares of common stock through equity-based awards to directors, officers and other key employees and consultants. The First Amendment to the Incentive Plan was adopted in May 2017, which, among other things, increased the number of shares of common stock available for issuance under the Incentive Plan by an additional 500,000 shares. As of December 31, 2017, 601,617 shares remain available under the Incentive Plan for the issuance of future equity-based compensation awards.

The components of compensation expense recognized, net of forfeiture recoveries, related to equity-based compensation is reflected in the table below for the years indicated (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Stock options	**$ --**	$ --	$ 147
Restricted stock awards	**459**	976	946
Equity compensation expense	**$ 459**	$ 976	$ 1,093

Compensation expense related to all equity-based compensation awards granted under the Incentive Plan is included in salaries, wages and employee benefits in the accompanying consolidated statements of operations and comprehensive (loss) income.

Stock options

Stock options are the contingent right of award holders to purchase shares of the Company's common stock at a stated price for a limited time. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing formula, and is recognized over the vesting period of the award. The vesting period of option awards has generally been 3 or 4 years and awards have historically been exercised over a three or ten year term. While the Company did not grant any new stock options in 2017, 2016, or 2015, there was a modification to an existing stock option award during 2015 that resulted in a new award being deemed granted.

The following assumptions were used to value the stock options granted or deemed to have been granted during 2015:

Dividend yield	0%
Expected volatility	62.9%
Risk-free interest rate	0.1%
Expected life (in years)	0.5

The expected volatility is a measure of the expected fluctuation in the Company's share price based on the historical volatility of the Company's stock. Expected life represents the length of time an option contract is anticipated to be outstanding before being exercised. 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. In addition to the above, a factor for anticipated forfeitures is also included, which represents the number of shares under options expected to be forfeited over the expected life of the options.

There was no stock option activity under the Incentive Plan for the years ended December 31, 2017 or 2016.

Restricted stock awards

Restricted stock awards are shares of the Company's common stock that are granted subject to defined restrictions. The estimated fair value of restricted stock awards is based upon the closing price of the Company's common stock on the date of grant. The vesting period of restricted stock awards is generally ratably over four years.

Information related to the restricted stock awarded for the year ended December 31, 2017, is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value (1)
Nonvested shares – December 31, 2016	285,196	$ 15.93
Granted	217,583	7.55
Forfeited	(212,834)	14.62
Vested	(51,008)	15.02
Nonvested shares – December 31, 2017	238,937	$ 9.71

(1) The shares were valued at the closing price of the Company's common stock on the date(s) specified by the award agreements.

The fair value of stock options and restricted stock that vested during the year is as follows for the periods indicated (in thousands):

	Year Ended December 31,		
	2017	2016	2015
Stock options	**$ --**	$ --	$ 193
Restricted stock	**398**	746	1,767

As of December 31, 2017, approximately $1.3 million of unrecognized compensation cost related to unvested restricted stock awards is expected to be recognized over a weighted-average period of 2.4 years.

Employee benefit plans

The Company sponsors the USA Truck, Inc. Employees' Investment Plan, a tax deferred savings plan under section 401(k) of the Internal Revenue Code that covers substantially all team members. Employees can contribute up to any percentage of their compensation, subject to statutory limits, with the Company matching 50% of the first 4% of compensation contributed by each employee. Employees' rights to employer contributions vest after three years from their date of employment. Effective July 1, 2016, the Company reinstated its contribution match, after having suspended it in April 2009. The Company's matching contributions to the plan were approximately $0.7 million for 2017.

NOTE 11. EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per share (in thousands, except per share amounts):

	Year Ended December 31,		
Numerator:	**2017**	2016	2015
Net income (loss)	**$ 7,497**	$ (7,699)	$ 11,069
Denominator:			
Denominator for basic earnings (loss) per share – weighted-average shares	**8,029**	8,550	10,337
Effect of dilutive securities:			
Employee restricted stock	**27**	--	64
Denominator for diluted earnings (loss) per share – adjusted weighted-average shares and assumed conversions	**$ 8,056**	$ 8,550	$ 10,401
Basic earnings (loss) per share	$ **0.93**	$ (0.90)	$ 1.07
Diluted earnings (loss) per share	$ **0.93**	$ (0.90)	$ 1.06
Weighted-average anti-dilutive employee restricted stock	**1**	11	62

NOTE 12. REPURCHASE OF EQUITY SECURITIES

In February 2016, the Company announced the board of directors had authorized the repurchase of up to two million shares of the Company's common stock. This authorization will expire in February 2019 unless earlier terminated or extended. During 2016, through a Rule 10b5-1 plan, the Company repurchased 1,583,249 shares at an average price of $18.05 per share for an aggregate cost of approximately $28.4 million. Of the total shares repurchased during 2016, 46,262 shares were repurchased during January 2016 under a previously announced repurchase authorization. In August 2016, the Company announced the board of directors halted the Rule 10b5-1 plan, with 463,013 shares remaining available for repurchase as of December 31, 2017.

Purchases under these share repurchase authorizations may be made using a variety of methods, which may include open market purchases, privately negotiated transactions or block trades, or any combination of such methods, in accordance with applicable insider trading and other securities laws and regulations. The specific number of shares the Company ultimately repurchases, and the actual timing and amount of share repurchases, will depend on market conditions and other factors, as well as the applicable requirements of federal securities law. In

addition, the stock repurchase program may be suspended, extended or terminated by the Company at any time without prior notice, and the Company is not obligated to purchase a specific number of shares.

NOTE 13. LITIGATION

USA Truck is party to routine litigation incidental to its business, primarily involving claims for personal injury and property damage incurred in the transportation of freight. The Company maintains insurance to cover liabilities in excess of certain self-insured retention levels. Though it is the opinion of management that these claims are immaterial to the Company's long-term financial position, adverse results of one or more of these claims could have a material adverse effect on the Company's consolidated financial statements in any given reporting period.

NOTE 14. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The tables below present quarterly financial information for 2017 and 2016 (in thousands, except per share amounts):

	2017			
	March 31,	**June 30,**	**September 30,**	**December 31,**
Operating revenue	**$ 101,670**	**$ 107,358**	**$ 114,235**	**$ 123,270**
Operating expenses	**108,069**	**110,324**	**112,431**	**117,777**
Operating (loss) income	**(6,399)**	**(2,966)**	**1,804**	**5,493**
Other, net	**1,101**	**1,078**	**1,056**	**960**
(Loss) income before income taxes	**(7,500)**	**(4,044)**	**748**	**4,533**
Income tax (benefit) expense	**(2,610)**	**(1,198)**	**339**	**(10,291)**
Net (loss) income	**$ (4,890)**	**$ (2,846)**	**$ 409**	**$ 14,824**
Average shares outstanding (basic)	**7,998**	**8,028**	**8,027**	**8,027**
Basic (loss) earnings per share	**$ (0.61)**	**$ (0.35)**	**$ 0.05**	**$ 1.85**
Average shares outstanding (diluted)	**7,998**	**8,028**	**8,039**	**8,036**
Diluted (loss) earnings per share	**$ (0.61)**	**$ (0.35)**	**$ 0.05**	**$ 1.84**

	2016			
	March 31,	June 30,	September 30,	December 31,
Operating revenue	$ 110,618	$ 109,888	$ 105,458	$ 103,135
Operating expenses	112,981	110,445	105,416	107,773
Operating (loss) income	(2,363)	(557)	42	(4,638)
Other, net	768	864	1,000	1,070
Loss before income taxes	(3,131)	(1,421)	(958)	(5,708)
Income tax benefit	(1,324)	(75)	(224)	(1,896)
Net loss	$ (1,807)	$ (1,346)	$ (734)	$ (3,812)
Average shares outstanding (basic)	9,381	8,734	8,069	7,975
Basic loss per share	$ (0.19)	$ (0.15)	$ (0.09)	$ (0.48)
Average shares outstanding (diluted)	9,381	8,734	8,069	7,975
Diluted loss per share	$ (0.19)	$ (0.15)	$ (0.09)	$ (0.48)

The amounts reported above have been previously reported in the Company's quarterly reports on Form 10-Q. Certain line items in those quarterly reports may not total the corresponding amount reported in this Form 10-K due to rounding.

NOTE 15. RESTRUCTURING, IMPAIRMENT AND OTHER COSTS

2017

As part of a reduction in force, headcount in both the Trucking and USAT Logistics segments was reduced during the second quarter of 2017, as the Company continued to align the non-driving support staff with the number of seated tractors. The reduction in force contributed to the decrease in salaries, wages and employee benefits expense in 2017, and is expected to reduce staff wages and employee benefits by approximately $1.6 million per year moving forward.

In January 2017, the Company's board of directors unanimously approved separation agreements for John R. Rogers (the "Rogers Separation Agreement"), the Company's former President and Chief Executive Officer, and Christian C. Rhodes (the "Rhodes Separation Agreement"), the Company's former Chief Information Officer. Per the material terms of the Rogers Separation Agreement, Mr. Rogers received (i) severance pay in the form of salary continuation payments equal to his base salary at the time his employment ended ($425,000) for a period of twelve months, subject to ongoing compliance with certain non-competition, non-solicitation, non-disparagement and confidentiality covenants in favor of the Company, (ii) a lump sum separation payment of $120,000 and (iii) a lump sum payment of $30,000 for moving and transition expenses. Per the material terms of the Rhodes Separation Agreement, Mr. Rhodes received a lump sum payment of $171,125. The Company recognized severance costs associated with the departures of Messrs. Rogers and Rhodes of approximately $0.6 million and $0.2 million, respectively, which were recorded in the "Salaries, wages and employee benefits" line item in the accompanying condensed consolidated statements of operations and comprehensive income (loss). At December 31, 2017, the Company had approximately $35,000 and nil accrued for severance benefits remaining to be paid to Mr. Rogers and Mr. Rhodes, respectively.

The following table summarizes the Company's liabilities, charges, and cash payments related to executive severance agreements made during the year ended December 31, 2017 (in thousands):

	Accrued Balance December 31, 2016	Costs Incurred	Payments	Expenses/ Charges	**Accrued Balance December 31, 2017**
Severance costs included in salaries, wages and employee benefits	**$** 277	$ 930	$ (1,172)	$ --	**$ 35**

2016

In the Company's Trucking segment, maintenance facilities were closed in Forest Park, Georgia and South Holland, Illinois, and in the Company's USAT Logistics segment, branch offices were closed in Olathe, Kansas and Salt Lake City, Utah. Headcount was reduced by 47 team members across multiple departments, including two contractors. Employees separated from the Company were paid severance benefits, and the agreements with the contractors were cancelled and cancellation penalties were paid, where required. Expenses recorded during the year ended December 31, 2016, included costs related to terminations; facility lease termination costs; costs associated with the development, communication and administration of these initiatives; and asset write-offs.

In May 2016, the Company's board of directors unanimously approved a separation agreement between Michael K. Borrows and the Company and accepted Mr. Borrows' resignation as Executive Vice President and Chief Financial Officer. The Company recognized severance costs associated with Mr. Borrows' departure of approximately $0.7 million, which were recorded in the "Salaries, wages and employee benefits" line item in the consolidated statements of operations and comprehensive income (loss). At December 31, 2017, the Company had no accrued severance benefits remaining to be paid to Mr. Borrows.

The following table summarizes the Company's liabilities, charges, and cash payments related to the restructuring plans made during the years ended December 31, 2017 and 2016, respectively (in thousands):

	Accrued Balance December 31, 2016	Costs Incurred	Payments	Expenses/ Charges	**Accrued Balance December 31, 2017**
Compensation and benefits	$ 81	$ --	$ (81)	$ --	**$ --**
Facility closing expenses	1,323	--	(553)	--	**770**
Total	$ 1,404	$ --	$ (634)	$ --	**$ 770**

	Accrued Balance December 31, 2015	Costs Incurred	Payments	Expenses/ Charges	Accrued Balance December 31, 2016
Compensation and benefits (1)	$ 753	$ 768	$ (1,437)	$ (3)	$ 81
Facility closing expenses (1)	20	2,779	(1,190)	(286)	1,323
Spartanburg impairment (2)	--	546	--	(546)	--
Fuel tank write-off (2)	--	524	--	(524)	--
Out of period adjustment (3)	--	647	--	(647)	--
Total	$ 773	$ 5,264	$ (2,627)	$ (2,006)	$ 1,404

2015

In the Company's Trucking segment, maintenance facilities were closed in Denton, Texas and Carlisle, Pennsylvania and its road assistance function was outsourced to a third party to improve operating productivity and enhance capacity utilization. These initiatives resulted in a headcount reduction of 50 team members. Team members separated from the Company as a result of these streamlining initiatives were paid severance. Expenses recorded during 2015 included costs related to severance; facility lease termination costs; communication and administration of these initiatives; and asset write-offs.

In July 2015, the Company entered into a separation agreement (the "Separation Agreement") with Mr. John M. Simone regarding the conclusion of his tenure as the Company's President, Chief Executive Officer, and Director. Pursuant to the Separation Agreement dated July 7, 2015, the Company recognized severance costs associated with Mr. Simone's departure of approximately $1.3 million, which were recorded in the line item "Restructuring, impairment and other costs" in the Company's consolidated statements of operations and comprehensive (loss) income. In total, during 2015, the Company recognized approximately $2.7 million, pretax, in restructuring, impairment and other costs.

The following tables summarize the Company's liabilities, charges, and cash payments related to the restructuring plans made during the year ended December 31, 2015 (in thousands):

	Costs Incurred	Payments	Non-cash Expenses	Accrued Balance December 31, 2015
Compensation and benefits (1)	$ 2,160	$ (869)	$ (538)	$ 753
Facility closing expenses (1)	582	(562)	--	20
Total	$ 2,742	$ (1,431)	$ (538)	$ 773

(1) The Company incurred total pretax expenses of approximately $3.5 million related to these streamlining initiatives during the first quarter of 2016.

(2) During 2016, the Company recorded $1.1 million for the impairment of non-operating assets. Of the total expense recorded, approximately $0.5 million related to the impairment of the Company's bulk fuel assets at all locations, as diesel fuel will no longer be stored or dispensed at any of the Company's locations, and $0.6 million related to the fair market value impairment of the Company's Spartanburg terminal.

(3) During the 2016, the Company identified an item requiring an adjustment of an accounts payable liability during 2013. The Company has recorded an adjustment of $0.6 million for this item in the quarter ended March 31, 2016.

A summary of the Company's restructuring, impairment and other costs by segment is as follows (in thousands):

Costs incurred	Year Ended December 31,		
	2017	2016	2015
Trucking	**$ --**	$ 4,848	$ 2,742
USAT Logistics	**--**	416	--
Total	**$ --**	$ 5,264	$ 2,742

NOTE 16. CHANGE IN ESTIMATE

The Company reviews the estimated useful lives and salvage values of its fixed assets on an ongoing basis, based upon, among other things, our experience with similar assets, conditions in the used revenue equipment market, and prevailing industry practice. During the third quarter of 2017, the Company reevaluated the estimated useful lives of its trailers, increasing such lives from 10 to 14 years. Additionally, given the soft used equipment market, the Company lowered the salvage values of its tractor fleet to reflect current estimates of the value of such equipment upon its retirement. The Company believes these changes more accurately reflect the value of the revenue equipment on the accompanying consolidated balance sheets. These changes are being accounted for as a change in estimate. On an annualized basis, based on the number of used trailers and tractors owned at December 31, 2017, the Company anticipates these changes in estimate will result in approximately $1.0 million lower depreciation each year.

NOTE 17. SUBSEQUENT EVENTS

In January 2018, the Company entered into contracts totaling approximately $58.1 million for the purchase of new revenue equipment.

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

None.

Item 9A. ***CONTROLS AND PROCEDURES***

In accordance with the requirements of the Exchange Act and SEC rules and regulations promulgated thereunder, the Company has established and maintains disclosure controls and procedures and internal control over financial reporting. Management, including the Company's principal executive officer and principal financial officer, does not expect that the Company's disclosure controls and procedures and internal control over financial reporting will prevent all errors, misstatements, or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. Further, the design of a 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 control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company will be detected.

Evaluation of Disclosure Controls and Procedures

The Company has established disclosure controls and procedures that are designed to ensure that relevant material information, including information pertaining to any consolidated subsidiaries, is made known to the officers who certify the financial reports and to other members of senior management and the board of directors. Management, with the participation of the Principal Executive Officer (the "PEO") and the Principal Financial Officer (the "PFO") conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, as of December 31,

2017 the PEO and PFO have concluded that the Company's disclosure controls and procedures are effective at a reasonable assurance level to ensure that the information required to be disclosed in the reports filed or submitted by the Company under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to management, including the PEO and PFO, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The management of USA Truck is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in the Exchange Act Rule 13a-15(f) and 15d-(f) as a process designed by, or under the supervision of, the principal executive officer and principal financial officer and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of Company assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Company assets that could have a material effect on the Company's financial statements.

Under the supervision and with the participation of the Company's management, including its principal executive officer and principal financial officer, an evaluation of the effectiveness of its internal controls over financial reporting was conducted based on the criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's evaluation under the criteria set forth in *Internal Control - Integrated Framework (2013)*, management concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2017.

The Company's internal control over financial reporting as of December 31, 2017, has been audited by Grant Thornton LLP, independent registered public accountants, as attested to in their attestation report included herein.

Change in Internal Control over Financial Reporting

No change occurred in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2017, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
USA Truck, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of USA Truck, Inc. (a Delaware corporation) and subsidiary (the "Company") as of December 31, 2017, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2017, and our report dated February 28, 2018, expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and limitations of internal control over financial reporting

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

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

/s/ GRANT THORNTON LLP

Tulsa, Oklahoma
February 28, 2018

Item 9B. *OTHER INFORMATION*

On February 28, 2018, the Board of Directors of USA Truck, Inc., a Delaware corporation (the "Company"), designated Zachary B. King, the Company's Vice President and Corporate Controller, as the Company's principal accounting officer for purposes of the Company's filings with the Securities and Exchange Commission.

Mr. King, 31, has served as our Vice President and Corporate Controller since April 2017. Prior to his appointment as Vice President and Corporate Controller, Mr. King served in various roles with the Company including Director and Assistant Controller and Accounting Manager since January 2015. Prior to joining the Company, Mr. King served in a number of accounting and finance positions with ABB Ltd and Samson Resources Corporation. Mr. King served in various audit capacities at Deloitte & Touche LLP from 2010-2013, for both public and privately held companies. Mr. King is a certified public accountant.

There is no arrangement or understanding between Mr. King and any other person pursuant to which Mr. King was appointed principal accounting officer. There are no transactions in which Mr. King has an interest requiring disclosure under Item 404(a) of Regulation S-K.

PART III

Item 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required in this Item 10 is hereby incorporated by reference to the information set forth under the sections entitled "Proposal One: Election of Directors," "Continuing Directors," "Executive Officers," "Corporate Governance – The Board of Directors and Its Committees – Other Board and Corporate Governance Matters," and "Corporate Governance – The Board of Directors and Its Committees – Committees of the Board of Directors – Audit Committee" contained in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders to be filed with the SEC.

Item 11. *EXECUTIVE COMPENSATION*

The information required in this Item 11 is hereby incorporated by reference to the information set forth under the sections entitled "Executive Compensation" and "Corporate Governance – The Board of Directors and Its Committees – Committees of the Board of Directors – Executive Compensation Committee" contained in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders to be filed with the SEC.

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

The information required in this Item 12 is hereby incorporated by reference to the information set forth under the sections entitled "Security Ownership of Certain Beneficial Owners, Directors and Executive Officers" and "Securities Authorized for Issuance under Equity Compensation Plans" contained in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders to be filed with the SEC.

Item 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE*

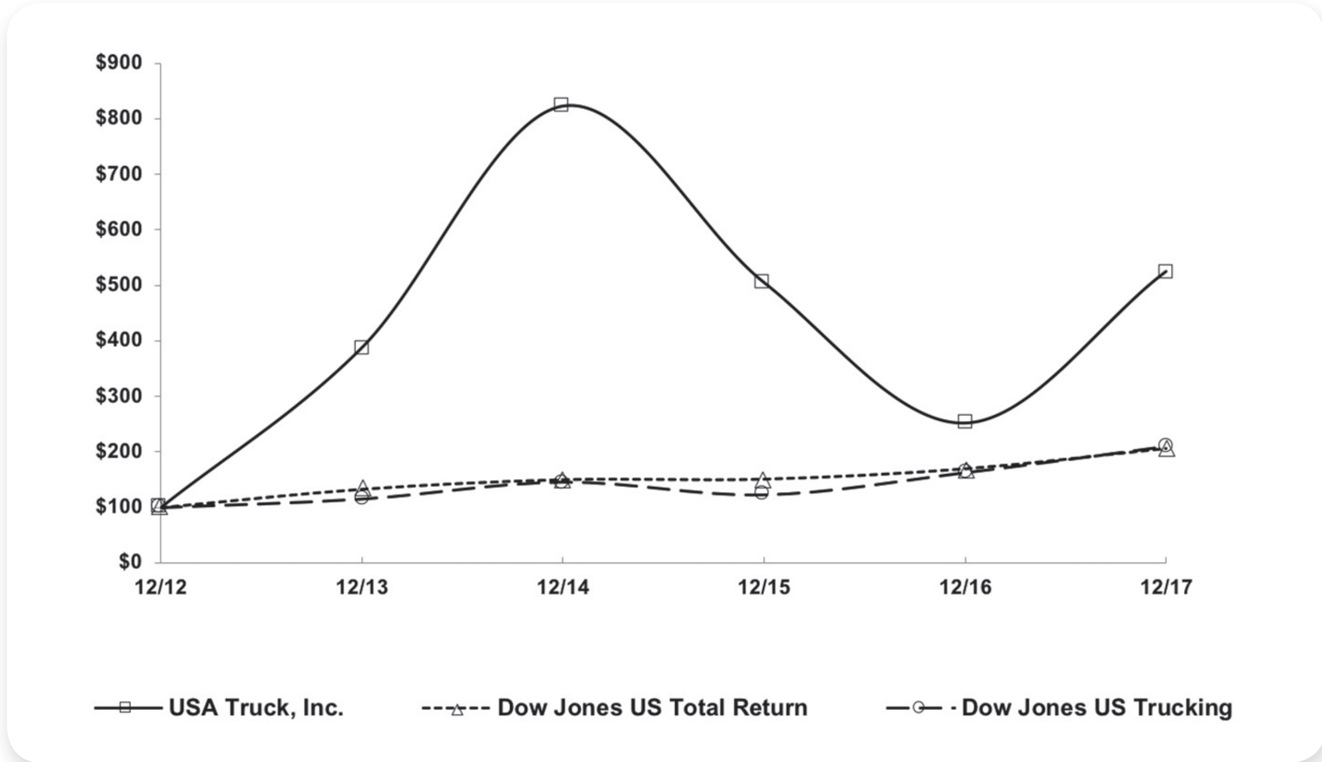
The information required in this Item 13 is hereby incorporated by reference to the information set forth under the sections entitled "Certain Transactions" and "Corporate Governance – The Board of Directors and Its Committees – Board of Directors – Director Independence" in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders to be filed with the SEC.

Item 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required in this Item 14 is hereby incorporated by reference to the information set forth under the section entitled "Independent Registered Public Accounting Firm" contained in the Company's definitive proxy statement for its 2018 Annual Meeting of Stockholders to be filed with the SEC.

Comparison of 5-Year Cumulative Total Return*

Among USA Truck, Inc., the Dow Jones U.S. Total Return Index and the Dow Jones U.S. Trucking Index.



*$100 invested on 12/31/12 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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The stock performance graph shall not be deemed to be incorporated by reference into any filing made by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, notwithstanding any general statement contained in any such filings incorporating the graph by reference, except to the extent we incorporate such graph by specific reference.

Officers and Directors

James D. Reed
President, Chief Executive Officer and Director

James A. Craig
Executive Vice President, Chief Commercial Officer
and President – USAT Logistics

Jason R. Bates
Executive Vice President and Chief Financial Officer

Johannes "Werner" P. Hugo
Senior Vice President, Trucking Operations

Cheryl L. Stone
Senior Vice President, Human Resources

Kimberly K. Littlejohn
Vice President and Chief Technology Officer

Zachary B. King
Vice President and Corporate Controller

Robert A. Peiser
Chairman of the Board
Retired President and Chief Executive Officer,
Imperial Sugar Company,
refiner and marketer of sugar products

M. Susan Chambers
Director
Retired Executive Vice President and
Chief Human Resource Officer,
Walmart Inc., retailer

Robert E. Creager
Director
Retired Partner, PricewaterhouseCoopers, LLP,
accounting firm

Gary R. Enzor
Director
Chairman and Chief Executive Officer,
Quality Distributions, Inc.,
chemical bulk logistics services provider

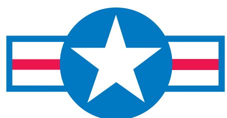
Barbara J. Faulkenberry
Director
Major General (Ret.), U.S. Air Force
Vice Commander, 18th Air Force,
Scott Air Force Base, IL

Thomas M. Glaser
Director
Retired President and Chief Executive Officer,
Arnold Transportation Services, Inc.,
dry van service provider

Alexander D. Greene
Director
Retired Private Equity Executive,
Brookfield Asset Management,
global asset management firm

Our Vision: USA Truck is driven to be a premier North American transportation solutions provider that improves the lives of team members, customers, industry partners, and our communities. We promote a culture of trust in a safe, fun, and friendly environment where people grow and thrive.

Printed on recycled paper. The recycled paper industry is an important part of the market served by USA Truck.



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