



DIVISION OF
CORPORATION FINANCE

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

February 14, 2019

C. Douglas Buford
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
dbuford@mwlaw.com

Re: J.B. Hunt Transport Services, Inc.
Incoming letter dated December 17, 2018

Dear Mr. Buford:

This letter is in response to your correspondence dated December 17, 2018 and January 21, 2019 concerning the shareholder proposal (the "Proposal") submitted to J.B. Hunt Transport Services, Inc. (the "Company") by the Trillium Small/Mid Cap Fund et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents' behalf dated January 3, 2019 and January 30, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Allan Pearce
Trillium Asset Management, LLC
apearce@trilliuminvest.com

February 14, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: J.B. Hunt Transport Services, Inc.
Incoming letter dated December 17, 2018

The Proposal requests that the Company adopt company-wide, quantitative targets for reducing greenhouse gas emissions and issue a report discussing its plan and progress towards achieving these targets.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In our view, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Courtney Haseley
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

January 30, 2019

VIA email: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: J.B. Hunt Transport Services, Inc. – Shareholder proposal submitted by Trillium Asset Management.

Dear Sir/Madam:

This letter is submitted by Trillium Asset Management on behalf of the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation (hereinafter referred to as “Proponents”), who have submitted a shareholder proposal (hereinafter referred to as “the Proposal”) to J.B. Hunt Transport Services, Inc. (hereinafter referred to as “J.B. Hunt” or the “Company”).

This letter is in response to the Supplemental Letter from J.B. Hunt on January 21, 2019.

The Company’s Supplemental Letter responds to three main points presented by Proponents in our letter from January 3, 2019.

1. The Proposal focuses on a significant social policy issue confronting J.B. Hunt and is therefore appropriate for shareholder consideration.

In its Supplemental Letter, the Company argues whether or not it has a “track record” of setting the type of GHG emissions reduction targets sought in the Proposal, based on definitions of intensity and absolute reduction targets. This portion of the Company’s letter is irrelevant to 14a-8(i)(7) analysis. Proponents acknowledge the Company has not set the type of targets sought by the Proposal, that’s why the Proposal was filed in the first place (further discussion of this is included below). In any case, it is important to point out that the nuances of different types of targets have nothing to do with whether or not this is a significant social policy issue facing the Company. And this point is the crux of whether or not a proposal is excludable under Rule 14a-8(i)(7).

In our January 3, 2019 letter, Proponents made clear that the Proposal is focused on a significant social policy issue that transcends ordinary business and that J.B. Hunt concurs. From that letter:

J.B. Hunt recognizes climate change and GHG emissions as a significant issue, stating “We acknowledge that the Proposal touches upon the significant social issue of environmental sustainability and climate change.” J.B. Hunt also recognizes the nexus between this issue and the Company’s business by stating “the Company recognizes that reducing GHG emissions is important to shareholders, customers, the communities the Company serves, the global environment, and ultimately the Company’s future success.”

This last piece is particularly important. J.B. Hunt acknowledges “that reducing GHG emissions is important to...the Company’s future success.” Because investors are surely interested in the Company’s future success, they are also interested in how the Company achieves emissions reductions. An emissions reduction target is therefore a signal from the Company describing how it intends to provide shareholders with “future success.” The absence of such targets is an abdication of the Company’s recognition that reducing GHG emissions is important to shareholders, customers, and other stakeholders.

Investors have provided very clear signals that they are interested in GHG emissions reduction targets. In 2017, State Street Global Advisors published a white paper wherein it said “we view establishing company-specific GHG emissions targets as one of the most important steps in managing climate risk.”¹ And as noted in the Proposal, The Task Force on Climate-related Financial Disclosures, whose members include BlackRock, JPMorgan Chase, and UBS Asset Management recommends companies “Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets.”

At the same time, some of J.B. Hunt’s customers, most notably Walmart, have publicly called for supplier companies, such as J.B. Hunt, to set science-based emissions reduction targets. The Company’s lack of emissions reduction targets is therefore an indication that the Company is not responsive to its major customers – another cause for concern for shareholders.

The Company expands on its argument about intensity vs. absolute emissions reduction targets by saying it’s previous targets were intensity based “operational goals”, not the absolute emissions reduction goals sought in the Proposal. There are several inaccurate assumptions here. First and foremost, the Proposal does not mandate the targets be absolute. The recommendation for science-based targets is simply one way J.B. Hunt could demonstrate it considered the goals of the Paris Climate Agreement. Second, science-based targets can be intensity-based, they don’t need to be absolute, meaning the

¹ SSGA’s Perspectives on Effective Climate Change Disclosure. August 7, 2017.
<https://www.ssga.com/investment-topics/environmental-social-governance/2017/perspectives-on-effective-climate-change-disclosure.pdf>

Company’s “operational goal” approach could be a way to satisfy the recommendations of the Proposal. Third, there are even more ways to go about setting emissions reduction targets taking into account the goals of the Paris Climate Agreement. The language from the Supporting Statement that recommends the Science Based Targets Initiative, is just one recommendation that happens to be very widely supported – over 1,200 companies have stated intentions to set targets via this platform, including some of J.B. Hunt’s peers. But the Proposal only recommends, not requires, J.B. Hunt use this methodology.

The Company’s claim that the intensity targets it disclosed to CDP were actually “operational goals” -- not emissions reduction targets -- deserves further examination. The question in the CDP survey to which J.B. Hunt responded in 2018 reads: “Did you have an emissions target active in the reporting year?” J.B. Hunt answered “intensity target.” The question was very similar in 2017 and 2016. The answer was the same. J.B. Hunt did not call it an “operational goal”, it called it an intensity target. Thus investors perceived this to be an emissions reduction target. If the Company wants to think of an emissions reduction target as an operational goal, that’s fine. The Proposal affords the Company the ability to set whatever target it wants. It could be an intensity based “operational goal” that reduces emissions “as a favorable indirect consequence of the operational goals.” All the Proposal asks is for the targets to be company-wide, quantitative, and take into account the goals of the Paris Climate Agreement. All of this can be achieved within the Company’s “operational goal” approach, if it so chooses.

2. The Proposal does not seek to micro-manage J.B. Hunt.

Building on the discussion above, Proponents made the point that the Company has set emissions reduction targets in the past to demonstrate two key points:

1. That investors are well-versed in evaluating the Company’s efforts to reduce emissions and set related targets.
2. The Company has been able to manage day-to-day operational considerations and decisions while these targets have been in place.

The Company’s explanation of why it would now be micro-managing for shareholders to vote on a proposal they’re very familiar with, including voting on twice in recent years, is not compelling. It is clearly just mimicking the strategy EOG used that happened to earn it a no-action letter last year. As evidence of this, J.B. Hunt mistakenly claims in its Supplemental Letter: “as EOG articulated in its letter to the Staff dated January 12, 2018, establishing quantitative targets would likely result in displacing the Company’s day-to-day business considerations in how it *provides transportation and logistics services* [emphasis added] to its customers...” EOG certainly did not try to argue anything related to providing transportation and logistics services, because that is not what it does. This

lack of attention to how the Proposal would actually impact J.B. Hunt’s business, not EOG’s, feels like a half-hearted fill-in-the-blank argument.

Proponents believe the Company could set emissions reduction targets **AND** manage day-to-day operational considerations and decisions related to its transport operations. This approach of running a business **AND** working to reduce emissions has become commonplace. 515 companies are already taking science-based climate action according to the Science Based Targets Initiative, and over 1,200 have committed to setting science-based targets in the coming years. Beyond this, hundreds, if not thousands, of other companies have set other emissions reduction targets for their businesses. Thus the argument that setting emissions reduction targets would inhibit a company from otherwise operating its business on a day-to-day basis is disingenuous, at best. Perhaps the most salient example to highlight for everyone, is to point out that EOG has now committed to setting company-wide, quantitative reduction targets for one of its key greenhouse gases.²

Shareholders are so well-versed in evaluating GHG emissions reduction targets proposals that they are even taking companies to court over the right to vote on such proposals. In the fall of 2018, the New York City Comptroller’s Office (NYCCO) filed a virtually identical proposal on behalf of its pension funds at TransDigm Group, Inc. (TransDigm). TransDigm sought a no-action letter on November 9, 2018 also citing micro-management and the EOG case discussed above. In response, NYCCO brought a lawsuit alleging TransDigm was acting in violation of Section 14(a) of the Securities and Exchange Act. The parties subsequently reached an agreement whereby TransDigm will include the proposal on its proxy statement. In a press release on January 23, 2019³, NYCCO summed up investor’s interest in voting on GHG reduction targets proposals:

Corporation Counsel Zachary W. Carter said, “As detailed in our lawsuit, TransDigm unlawfully blocked the Funds from weighing in on one of the most important environmental issues facing society today. As a result of this settlement, the Funds are now being afforded their legal right to have the proposal included in the proxy materials mailed in advance of TransDigm’s upcoming annual meeting.”

Shareholder proposals are an effective tool for major investors to propose necessary changes and express their goals for the company’s long-term growth and direction. The Funds’ proposal requests that TransDigm, “adopt a policy with time-bound, quantitative, company-wide goals for managing GHG emissions, taking into account the objectives of the Paris Climate

² <http://www.trilliuminvest.com/eog-commits-to-methane-emissions-reductions/>

³ <https://comptroller.nyc.gov/newsroom/nyc-funds-reach-settlement-with-transdigm-to-protect-shareholder-ability-to-call-for-pollution-reduction/>

Agreement, and report, at reasonable cost and omitting proprietary information, on its plans to achieve these targets.”

Many companies, including some of the world’s largest, have already adopted similar goals. Well over 60% of Fortune 100 companies have set GHG emissions targets, including Walmart, Apple, and GM, among others. Moreover, TransDigm’s peer companies in the aerospace and defense industry have set GHG emission goals, including United Technologies, Boeing, Lockheed Martin and Northrop Grumman.

Despite the growing trend, TransDigm pushed back on the Funds’ proposal and initially attempted to exclude the proposal by making a “no-action” request to the Securities and Exchange Commission (SEC), claiming the proposal concerned the “ordinary business” of the company. A “no-action” letter from the SEC would have effectively silenced the legitimate right of shareholders to have a voice in long-term issues facing the companies they invest in.

While the Staff decided to grant EOG a no-action letter last year, it had previously established a different precedent by denying no-action requests at other companies with respect to shareholder proposals on greenhouse gas emissions reductions and reduction targets. In 2015, in response to shareholder proposals at *FirstEnergy Corp.* (March 4, 2015) and *Great Plains Energy* (February 5, 2015), the Staff decided that both companies were unable to exclude proposals asking for carbon dioxide reduction targets. These proposals were remarkably similar to the Proposal, asking for time bound, quantitative, carbon dioxide reduction goals. Note these proposals even included the phrase “time-bound”. In its response to FirstEnergy Corp.’s no-action letter, the Commission stated: “In our view, the proposal focuses on reducing greenhouse gas emissions and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate. Accordingly, we do not believe that FirstEnergy may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).” The Proponents believe this case to be nearly identical to *FirstEnergy* and *Great Plains Energy*, and respectfully request the Staff concur.⁴

⁴ Other prior staff decisions have found that proposals requesting the adoption of quantitative goals for reducing greenhouse gas emissions are not excludable and transcend the day to day business operations of a company’s activities. See e.g. *Exxon Mobil Corp* (March 23, 2007) proposal not excludable that called for the adoption of quantitative goals for reducing greenhouse gas emissions; *Centex Corporation* (March 18, 2008) proposal not excludable which sought adoption of quantitative goals for reducing greenhouse gas emissions and report to shareholders; *ONEOK, Inc.* (February 25, 2008) proposal not excludable which sought report on adopting quantitative goals based on emerging technologies to reduce greenhouse gas emissions.

J.B. Hunt argues implementing quantitative targets involves the “imposition of specificity and the inclusion of timeframes.” If that ends up being the case, it would be because the Company chose such targets. The Proposal clearly leaves it up to the Company to determine what level of specificity and what timeframes to apply. Thus the Proposal is not micro-managing as it is still up to the Company to determine what targets to set and how to implement them.

3. The Proposal does not relate to the sale of particular products as J.B. Hunt claims.

Proponents think it’s worth taking a step back to re-examine the reasons why the Staff may grant a no-action letter under Rule 14a-8(i)(7), the part of the Rule the Company is trying to use to exclude the Proposal. Nowhere in the Rule is the ‘relation to the sale of particular products’ a reason for which proposals can be excluded. Despite the Company’s argument that the Proposal relates to the sale of particular products, which Proponent’s stated their disagreement with in their January 3, 2019 letter, Proponent’s think it’s worth returning the focus to what the Rule says about ordinary business exclusions under 14a-8(i)(7).

As stated in Proponents’ January 3, 2019 letter, the Commission made clear in SEC Release 34-40,018 (May 21, 1998),

The policy underlying the ordinary business exclusion rests on two central considerations. The first relates to the subject matter of the proposal. Certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However, proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

As demonstrated in this letter and the January 3, 2019 letter, the Proposal focuses on a significant social policy issue that transcends ordinary business, and therefore should be subject to shareholder consideration. The long and well-established history of shareholder interest in climate change and emissions reduction targets proposals summarized in both of the Proponent’s letters support the Proponent’s views that this Proposal should not be excluded from the Company’s proxy statement.



Conclusion

We respectfully request the Staff agree the Company cannot exclude the Proposal from its proxy materials.

Sincerely,

A handwritten signature in black ink that reads 'Allan C Pearce'.

Allan Pearce
Shareholder Advocate

cc: C. Douglas Buford, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
David Mee, Chief Financial Officer J.B. Hunt Transport Services
Courtney Crouch, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

MITCHELL || WILLIAMS

425 WEST CAPITOL AVENUE, SUITE 1800
LITTLE ROCK, ARKANSAS 72201-3525
TELEPHONE 501-688-8800
FAX 501-688-8807

January 21, 2019

BY ELECTRONIC MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

**RE: J.B. Hunt Transport Services, Inc.
Exclusion of Shareholder Proposal of Trillium Asset Management, LLC
Securities Exchange Act of 1934 – Rule 14a-8**

Ladies and Gentlemen:

This letter is submitted by J.B. Hunt Transport Services, Inc., an Arkansas Corporation (the “Company” or “J.B. Hunt”), to respond to the letter from Trillium Asset Management, LLC on behalf of the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation (together, the “Proponent” or “Trillium”) to the Staff of the Division of Corporation Finance (the “Staff”) of the Division of Corporation Finance of the U.S Securities and Exchange Commission (the “Commission”), dated January 3, 2018 (the “Proponent Letter”), objecting to the Company’s intention to exclude from its 2019 proxy materials (the “Proxy Materials”) the shareholder proposal submitted by the Proponent (the “Proposal”). The Proposal requests the Company adopt company-wide, quantitative targets to reduce total greenhouse gas (“GHG”) emissions and issue a related report. The Company’s substantive bases for exclusion of the Proposal are set forth in our initial letter (the “Initial Letter”) to the Staff dated December 17, 2018.

The Company is now supplementing the Initial Letter to respond to the assertions made in the Proponent Letter. The Company also renews its request for confirmation that the Staff will not recommend enforcement action to the Commission if the Company omits the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8.

In accordance with Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008), this letter is being e-mailed to shareholderproposals@sec.gov and a copy of this letter is also being e-mailed to the Proponent.

I. The Proposal

On or after November 5, 2018, the Company received a letter from the Proponent containing the Proposal for inclusion in the Company's 2019 Proxy Materials. We provided the letter and Proposal as attachments to the Initial Letter. As discussed in the Initial Letter, the Company believes that it may properly omit the Proposal from its 2019 Proxy Materials in reliance on Rule 14a-8(i)(7).

II. Response to the Proponent Letter

The Proponent letter expresses the view that the Proposal may not be excluded from the Company's 2019 Proxy Materials under Rule 14a-8 because: (i) "the Proposal focuses on a significant social policy issue confronting J.B. Hunt;" (ii) "[t]he Proposal does not seek to micro-manage" the Company; and (iii) "[t]he Proposal does not relate to the sale of particular products."

A. The Proposal may be excluded because it does not focus on an issue that is sufficiently significant in relation to the Company.

To support the Proponent's view that the Proposal focuses on a significant social policy issue confronting the Company and in an effort to distinguish the Company's request from the December 2017 request of EOG Resources, Inc. ("EOG"), for which the Staff granted no-action treatment¹, the Proponent Letter asserts that the Company's previous responses to the Carbon Disclosure Project ("CDP") establish a "track record" of the Company's ability to set GHG emissions reduction targets. To clarify, the Company has previously reported intensity targets in its CDP responses, and while intensity targets and metrics do "provide insight into the GHG efficiency of an organization," they also "enable comparison between different modes of transport and allow for a comparison of efficiency against competitors."² Intensity targets may be contrasted with absolute targets, which measure absolute emissions—"the total emissions figure that ultimately needs to be reduced to mitigate climate change."³ In the Company's 2016 CDP response, it noted that any recognized emissions reductions were based on "empty mile" goals set in the Intermodal and Truckload segments. Thus, these previously established reduction targets are correctly viewed as operational goals to achieve more efficient transportation operations, with the resulting reduction in emissions as a favorable indirect consequence of the operational goals. Further, the Company has stated in previous CDP responses that such intensity targets are not science-based targets, and per the Proposal's supporting statement, the Proponent seeks to have the Company set science-based GHG emissions reduction targets on a company-

¹ See EOG Resources, Inc. (February 26, 2018).

² CDP Technical Notes: Measuring emissions intensity of transport movements, CDP Climate Change Questionnaire 2018, at 3 https://6fefcbb86e61af1b2fc4-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/001/690/original/CDP-technical-note-emissions-intensity-of-transport.pdf?1529080327.

³ *Id.*

wide basis. Therefore, the Company does not have a “track record” of setting the targets that the Proposal intends, and the Company’s CDP responses should not be viewed as an indication that it believes the establishment of specific, company-wide GHG emissions reduction targets is a significant policy issue for the Company’s investors.

B. The Proposal may be excluded because it seeks to micro-manage the Company.

The Proponent Letter expresses the view that the Proposal does not seek to micro-manage the Company because it does not mandate specific, rigid or time-bound targets. However, as EOG articulated in its letter to the Staff dated January 12, 2018,⁴ establishing quantitative targets would likely result in displacing the Company’s day-to-day business considerations in how it provides transportation and logistics services to its customers, for the sake of obtaining such targets. Further, implementing quantitative targets inherently involves the imposition of specificity and the inclusion of timeframes. Thus, regardless of where the specific requirements for implementing the Proposal originate, the establishment of specific time-frames and methods would be inevitable in implementing the Proposal.

The Proponent Letter further argues that the Proposal does not micro-manage the Company because the Company could determine what targets to set and how best to implement them. However, similar to the proposal in EOG, this Proposal would micro-manage the Company because it could ultimately cause the Company to have to prioritize achieving certain GHG emission targets over day-to-day operational considerations and decisions as to how to most efficiently transport freight for customers and meet their supply chain needs. As stated in the Initial Letter, being required to achieve such quantitative targets could hinder the Company’s ability to compete in the transportation marketplace, reduce the Company’s profitability and thus negatively impact the financial interests of its shareholders.

C. The Proposal may be excluded because it relates to operational technologies and the sale of particular services of the Company.

The Proponent Letter states that because GHG emissions are not a product for sale, the Proposal does not infringe on management’s ability to determine what transportation services to provide. This statement is simply not accurate and shows that the Proponent has misinterpreted the Initial Letter. For a transportation and logistics company such as the Company, reducing GHG emissions necessarily relates to the operational technologies, equipment and modes through which the Company performs the primary service it offers to customers – the transportation of freight by rail or truck from origin point to destination. Thus, the Company would be unable to implement and strive to reach emission reduction targets without modifying the transportation services it offers and sells to its customers.

⁴ See EOG Resources, Inc. (February 26, 2018).

III. Conclusion

For the reasons discussed in the Initial Letter and further discussed above, the Company believes that it may properly omit the Proposal and supporting statement from its 2019 Proxy Materials in reliance on Rule 14a-8. Accordingly, we respectfully request the Staff's concurrence in our view set forth herein and in the Initial Letter or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if the Company so excludes the Proposal from its 2019 proxy materials.

If the Staff believes that it will not be able to take the no-action position requested above, we would appreciate the opportunity to confer with the Staff prior to the issuance of a negative response. Please contact me at dbuford@mwlaw.com, or (501) 688-8866, if you require additional information or clarification prior to formally replying to our request.

Very truly yours,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

/s/ C. Douglas Buford, Jr.

By

C. Douglas Buford, Jr.

cc: Mr. David G. Mee, Chief Financial Officer
J.B. Hunt Transport Services, Inc.

Mr. Allan Pearce
Trillium Asset Management, LLC



January 3, 2019

VIA email: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: J.B. Hunt Transport Services, Inc. – Shareholder proposal submitted by Trillium Asset Management.

Dear Sir/Madam:

This letter is submitted by Trillium Asset Management on behalf of the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation (hereinafter referred to as “Proponents”), who have submitted a shareholder proposal (hereinafter referred to as “the Proposal”) to J.B. Hunt Transport Services, Inc. (hereinafter referred to as “J.B. Hunt” or the “Company”). This letter is in response to the letter dated December 17, 2018 sent to the Office of Chief Counsel by C. Douglas Buford, of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., in which it contends that the Proposal may be excluded from the Company's 2019 proxy statement under Rule 14a-8(i)(7).

I have reviewed the Proposal and the Company's letter, and based upon the foregoing, as well as upon a review of Rule 14a-8, it is my opinion that the Proposal must be included in J.B. Hunt's 2019 proxy statement because the Company has not met the exclusion requirements of the Rule. Therefore, we respectfully request that the Staff not issue the no-action letter sought by the Company.

Pursuant to Staff Legal Bulletin 14D (November 7, 2008) we are filing our response via e-mail in lieu of paper copies and are providing a copy to Douglas Buford at dbuford@mwlaw.com; Courtney Crouch at ccrouch@mwlaw.com; and David Mee, Chief Financial Officer of J.B. Hunt at David_Mee@jbhunt.com.

Summary

This is a carefully considered proposal that does not delve too deeply into the Company's operations to be micro-managing. Rather, it affords the Company significant flexibility in how it could achieve the objective of the Proposal, which asks for J.B. Hunt to adopt company-wide,

quantitative targets to reduce greenhouse gas (GHG) emissions. Proponents believe the Proposal strikes an appropriate balance that, if adopted, would provide numerous benefits to shareholders and the Company while simultaneously addressing the significant social policy issue of climate change – a significant policy issue that is well-established as transcending ordinary business.

The Proposal

The Proposal, the full text of which is attached as Attachment A, requests:

Shareholders request J.B. Hunt Transport Services (JBHT) adopt company-wide, quantitative targets to reduce total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report, prepared at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

The whereas clauses introduce the global imperative to reduce greenhouse gas emissions in order to mitigate the most severe societal impacts of climate change. This is especially critical for the transportation sector as it is the largest source of GHG emissions in the U.S. and the only major sector where GHG emissions are increasing. These clauses also provide compelling economic and financial arguments for setting GHG emissions reduction targets, explain why this is of particular importance to investors, and highlight the many other businesses that are setting, and achieving, reduction targets.

Analysis

1. The Proposal focuses on a significant social policy issue confronting J.B. Hunt and is therefore appropriate for shareholder consideration.

Reducing greenhouse gas emissions and addressing climate change are significant social policy issues that transcend ordinary business operations, especially for the transportation sector. The most recent example of the societal imperative to reduce GHG emissions from transportation came in December 2018, when nine states and the District of Columbia committed to cut GHG emissions specifically from transportation. J.B. Hunt recognizes climate change and GHG emissions as a significant issue, stating “We acknowledge that the Proposal touches upon the significant social issue of environmental sustainability and climate change.” J.B. Hunt also recognizes the nexus between this issue and the Company’s business by stating “the Company recognizes that reducing GHG emissions is important to shareholders, customers, the communities the Company serves, the global environment, and ultimately the Company’s future success.”

Similarly, the Staff has long recognized climate change and carbon reduction strategies as addressing a significant policy issue that transcends ordinary business matters. See SEC Release 34-40,018 (May 21, 1998); *Devon Energy Corporation* (March 19, 2014) proposal not excludable because it “focused on significant policy issue of climate change”; *Goldman Sachs*

(February 7, 2011) proposals focusing on “the significant policy issue of climate change” not excludable as ordinary business.

The Company’s argument that the Proposal may be excluded on ordinary business grounds is therefore an inaccurate conclusion drawn from an incomplete reading of the Commission’s guidance. As the Commission made clear in 1998:

The policy underlying the ordinary business exclusion rests on two central considerations. The first relates to the subject matter of the proposal. Certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However, proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

Accordingly, the first question is whether or not the proposal relates to the day-to-day matters of the company. If yes, then the question becomes whether the proposal nevertheless focuses on a significant social policy issue.

As the Commission pointed out in 1998, management of a workforce is a day-to-day matter. However, the Commission explained that discrimination is a significant social policy issue effecting management of the workforce such that a proposal focused on discrimination would be appropriate for a shareholder vote. In the case of J.B. Hunt and the Proposal, we do not doubt that management of providing “extensive and expansive transportation services” is a day-to-day matter of J.B. Hunt. Yet it is also evident that climate change and GHG emissions are significant social policy issues such that the Proposal is appropriate for a shareholder vote even though it relates to management of operations.

J.B. Hunt cites two proposals that companies were allowed to exclude on the basis of ordinary business – *Chubb Corporation* (January 25, 2004) and *Hewlett-Packard* (December 12, 2006). However, both of these proposals related specifically to how each company evaluated climate-related risks. According to Staff Legal Bulletin 14E (October 27, 2009), the Staff revised how risk related proposals were evaluated, subsequently allowing proposals related to risk oversight of a significant policy issue to proceed to shareholder votes. Therefore, we urge the Staff to disregard these examples in its analysis as they are no longer applicable.

It's not lost on the Proponents that J.B. Hunt has closely modeled its no-action request on the *EOG Resources, Inc.* (EOG) request from December 20, 2017. To the best of our knowledge, EOG had never set a quantitative emissions reduction target, giving credibility to EOG’s claims that it could not do so. In contrast, J.B. Hunt actually has a track record of setting quantitative emissions reduction targets. For the last several years, J.B. Hunt has disclosed annual, quantitative GHG emissions reduction targets in its CDP Responses. While these targets did not

apply company-wide and have now expired, the Company is clearly familiar with, and capable of, setting GHG emissions reduction targets. The fact that J.B. Hunt has disclosed these targets to CDP, which is an organization that is supported by 650 investors with over \$87 trillion in assets, is a clear indication that J.B. Hunt recognizes the importance of GHG targets to investors.

As a result, investors have become familiar with evaluating J.B. Hunt's previous emission reduction targets. In addition, investors are also experienced in evaluating whether J.B. Hunt should set company-wide emissions reduction targets. To wit, investors have voted on substantially similar shareholder proposals in recent years. In 2015 and 2018, approximately 16.8 and 21.4% voted in favor of these proposals, respectively. These numbers would actually be higher if the shares of Johnelle Hunt, the Company's co-founder and principal shareholder, were excluded. Excluding her insider shareholdings, these votes would have been 21.7 and 26.2% respectively. Investors have voted on substantially similar proposals at least 73 times over the past decade at other companies, providing another indication that investors are well-positioned to evaluate the Proposal.

The increase in vote results from 2015 to 2018 is also reflective of a larger trend of increasing votes on climate change-related shareholder proposals, a trend that has caught the attention of U.S. Senator Schatz, a member of the Senate Banking Committee. In a letter to SEC Chairman Jay Clayton on November 9, 2018, Sen. Schatz succinctly summarizes, "Shareholder support for climate change proposals has also increased over time. The average climate change-related shareholder proposal received 32.8% of shareholder support in 2017, up significantly from an average of 21.6% in 2007.... Most significantly, last year marked an important milestone for climate change-related shareholder proposals because proposals at three companies - Exxon Mobil Corp., Occidental Petroleum Corp., and PPL Corp. - were successful in garnering majority support from shareholders for climate change disclosure." This trend bolsters the case for why shareholders should be able to continue to vote on whether J.B. Hunt should set emissions reduction targets.

In what Proponents perceive to be an attempt to demonstrate that the Board has provided an analysis to satisfy the guidance provided in Staff Legal Bulletin No. 14I, J.B. Hunt refers to its opposition statements from previous years. This means the Board has not provided a current analysis of "the particular policy issue and its significance", nor has it detailed the "specific processes employed by the board to ensure that its conclusions are well-informed and well-reasoned." This is a notable omission in light of society's and investor's ever-evolving understanding of the impacts of climate change.

To reiterate:

- J.B. Hunt explicitly acknowledges that reducing emissions is important to its shareholders and the Company's future success;
- Climate change and GHG emissions reductions are well-established as significant policy issues that transcend ordinary business;
- Investors have an extensive history of evaluating the Company's performance on its GHG emissions targets, including voting on very similar proposals at J.B. Hunt and many other companies.

Therefore, the Proposal is one that should not be excluded from J.B. Hunt's proxy materials.

2. The Proposal does not seek to micro-manage J.B. Hunt.

J.B. Hunt argues that it should be permitted to exclude the Proposal on micro-management grounds copying, verbatim, some language from EOG's no-action request from December 20, 2017: "the Proposal would require [J.B. Hunt] management to subjugate its real-time operational decisions to company-wide, rigid, time-bound quantitative targets." Furthermore, J.B. Hunt claims that the Proposal seeks to impose specific time-frames or methods for implementation.

This is an exaggeration and misread of the Proposal. Nowhere in the Proposal, either directly or indirectly, are rigid or time-bound targets suggested. Nor does the Proposal mandate specific methods or time-frames. In contrast, the Proposal simply asks for company-wide, quantitative targets to reduce GHG emissions. This was done intentionally so as to not micro-manage J.B. Hunt. As noted above, the Company has years of experience in setting quantitative targets having done so numerous times in the past. The discretion provided to management and the board in this language is therefore perfectly calibrated to convey investor concerns and perspectives about the merits of GHG targets while leaving it up to the Company to determine what targets to set and how best to implement them.

For this reason, the Company's citations to *Apple* (December 5, 2016), *Marriott* (March 17, 2010), *Ford* (March 2, 2004), *J.P. Morgan* (March 30, 2018), *Dominion Resources* (February 22, 2011), and *FirstEnergy* (March 8, 2013) are misplaced. In each of these examples, the proposals sought very specific, often time-bound, actions – a feasible plan for net zero greenhouse gas emissions by 2030 (*Apple*), limiting showerhead flow to 1.6 gallons per minute and requiring mechanical switches to control the level of water flow (*Marriott*), how Ford could reduce GHG emissions from its vehicle fleet by 2013 and 2023, among other things (*Ford*), establishment of a Human Rights Committee (*J.P. Morgan*), offer 100% renewable energy by 2012 (*Dominion Resources*), a report asking for actions FirstEnergy is taking to include increased energy efficiency and renewable energy by September, 2013 (*FirstEnergy*).

The Proposal does not mandate a similar level of specificity as the examples listed above. Instead, the Proposal affords J.B. Hunt's management and board the flexibility to determine what targets to set, what timeframe to adhere to, and what methods to use in implementing the targets.

Similar proposals requesting GHG emissions reduction goals have repeatedly withstood ordinary business and micromanagement challenges. In 2015, in response to shareholder proposals at *FirstEnergy Corp.* (March 4, 2015) and *Great Plains Energy* (February 5, 2015), the Staff decided that both companies were unable to exclude proposals asking for carbon dioxide reduction targets. These proposals were remarkably similar to the Proposal, asking for time bound, quantitative, carbon dioxide reduction goals. Note these proposals even included the phrase "time-bound". In its response to FirstEnergy Corp.'s no-action letter, the Commission stated: "In our view, the proposal focuses on reducing greenhouse gas emissions and does not seek to micromanage the company to such a degree that exclusion of the proposal would be

appropriate. Accordingly, we do not believe that FirstEnergy may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).” The Proponents believe this case to be nearly identical to *FirstEnergy* and *Great Plains Energy*, and respectfully request the Staff concur.¹

Given how closely J.B. Hunt has based its no-action request on the EOG no-action request (December 20, 2017), this case deserves some additional delineation [further discussion of EOG in Section 3 below]. Despite EOG arguing it could not set GHG emissions reduction targets, a position which the Staff ultimately agreed with, it is imperative the Staff consider that EOG is now committed to doing exactly that – in its Q3 2018 investor presentation it says it is “Committed to minimizing emissions”. Furthermore, Trillium, who was also representing the proposal in EOG, has continued conversation with EOG wherein the Company committed to establish company-wide, quantitative emissions reduction targets within two years.

The EOG decision has become controversial and was explicitly criticized by Senator Schatz in his November 9, 2018 letter, saying, “It was not clear why the Division of Corporation Finance would conclude that the climate change proposal EOG Resources sought to exclude constitutes micromanagement when other similar proposals have not been excluded for this reason in the past. Importantly, the shareholder proposal at issue did not dictate the terms of the GHG emission reduction targets, nor how or when EOG Resources should achieve those targets.”

Sen. Schatz also expressed concern that the SEC “increased its use of the “micromanagement” exclusion, especially with respect to climate change-related proposals.” As a result, he urges the Commission to “rescind the Staff Legal Bulletin No. 14J and reverse the SEC's policy of expanding the use of the micromanagement exclusion.”

It is worth reiterating, as stated in the Proposal, that roughly half of J.B. Hunt’s peers in the Fortune 500 have set quantitative GHG emissions reduction targets. These are comparably, if not even more, complex businesses than J.B. Hunt. Furthermore, several of J.B. Hunt’s more direct peers in the transportation sector have set GHG emissions reduction targets. Setting GHG emissions reduction targets has become a very common business practice that investors have become well versed in evaluating. And the evaluation and input shareholders provide on these GHG targets has often resulted in financial outperformance rather than act as an impediment to management’s ability to conduct day to day operations. This reality reinforces why the Proposal should not be excludable.

The Proposal does not micro-manage J.B. Hunt as it does not mandate what the quantitative targets could or should be, or how they should be implemented. The Company is free to set and

¹ Other prior staff decisions have found that proposals requesting the adoption of quantitative goals for reducing greenhouse gas emissions are not excludable and transcend the day to day business operations of a company’s activities. See e.g. *Exxon Mobil Corp* (March 23, 2007) proposal not excludable that called for the adoption of quantitative goals for reducing greenhouse gas emissions; *Centex Corporation* (March 18, 2008) proposal not excludable which sought adoption of quantitative goals for reducing greenhouse gas emissions and report to shareholders; *ONEOK, Inc.* (February 25, 2008) proposal not excludable which sought report on adopting quantitative goals based on emerging technologies to reduce greenhouse gas emissions.

accomplish these goals in whatever manner it chooses to reduce GHG emissions and protect shareholder value. The simple question of whether or not a company should adopt and report on GHG emissions reduction targets is easily understood by shareholders and does not delve too deeply into the Company's operations.

3. The Proposal does not relate to the sale of particular products as J.B. Hunt claims.

This argument seems to be another page taken out of EOG's playbook. However, there are significant differences here that must be considered. In the case of EOG, one of the company's products, natural gas, is itself a greenhouse gas, lending some credibility to the claims that the proposal related to EOG's products. In J.B. Hunt's case, as with almost every other one of the hundreds of companies that have set GHG emissions reduction targets, GHG emissions are not a product for sale. Therefore, contrary to the Company's arguments, it is evident that the Proposal does not infringe on management's ability to determine what transportation services to provide.

J.B. Hunt provides numerous examples in its discussion, none of which relate to the case at hand or support J.B. Hunt's claim that the Proposal relates to the sale of particular products and services in the ordinary course of its business. It's as though the Company expects the sheer number of these examples to make them more relative than they actually are. The Company cites *Amazon* (March 11, 2016), *Amazon* (March 27, 2015), *Papa John's International* (February 13, 2015), *Lowe's Companies* (March 18, 2010), *The Home Depot* (March 12, 2010), *PetSmart* (April 8, 2009), *Lowe's Companies* (February 1, 2008), *The Home Depot* (January 24, 2008), *J.P. Morgan* (March 7, 2013), and several others. In all of these examples, the proposals very clearly relate to a product or service provided by the respective companies; such is not the case with the Proposal and J.B. Hunt. It is clear that these examples and this line of reasoning do not apply to the Proposal and are therefore inapposite. We therefore request the Staff to disregard them as irrelevant to its analysis.

Shareholder input on whether J.B. Hunt should set GHG emissions reduction targets and the Company's ability to offer its transportation services are not, and never have been, mutually exclusive. Proponents see no reason for that to change now.

Conclusion

In conclusion, we respectfully request the Staff to inform the Company that Rule 14a-8 requires a denial of the Company's no-action request. As demonstrated above, the Proposal is not excludable under Rule 14a-8.

Please contact me at (503) 953-8345 or apearce@trilliuminvest.com with any questions related to this matter or if the Staff wishes any further information.

Sincerely,

Allan C Pearce

Allan Pearce
Shareholder Advocate
Trillium Asset Management

Appendix A

Greenhouse Gas Emissions Reduction Targets

Resolved: Shareholders request J.B. Hunt Transport Services (JBHT) adopt company-wide, quantitative targets to reduce total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report, prepared at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

Supporting Statement: Proponents recommend JBHT consider the methods outlined by the Science Based Targets Initiative (sciencebasedtargets.org) to ensure its emissions reductions targets are consistent with the ambitions of the Paris Climate Agreement.

Whereas: The Paris Climate Agreement of 2015 that was agreed to by 195 countries established a target to limit global temperature increases to 2°C above pre-industrial levels, ideally striving for 1.5°C. Achieving this limited warming scenario will require “rapid and far-reaching” transitions for many sectors, including transportation, according to a 2018 report from the Intergovernmental Panel on Climate Change.

Data from the U.S. Energy Information Administration shows the transportation sector recently surpassed the electricity generation sector as the largest producer of GHG emissions. Transportation is also the only major U.S. sector with increasing emissions – the residential, commercial, industrial, and electric power sectors have been reducing emissions for several years.

Aware of the need to increase the scale and pace of action on climate change, nearly 1,200 global companies have stated intentions to set “science-based” emissions reduction targets to ensure they are doing their part to fulfill the ambitions of the Paris Climate Agreement. This includes Expedito’s International, Republic Services, Waste Management and Norfolk Southern, companies JBHT identifies as peers. In addition, roughly half of JBHT’s Fortune 500 peers have set quantitative GHG emissions reduction targets.

JBHT has stated it takes climate change seriously. It has adopted various initiatives to reduce fuel consumption and its Inter-Modal operations provide emissions reductions for its clients. However, the Company has not set company-wide, quantitative targets, nor has it aligned its efforts with climate science.

Proponents believe adopting such targets would help JBHT align new and existing initiatives, lower costs, increase competitiveness, mitigate the risks of severe weather events, and prepare for changing regulations. Setting company-wide, quantitative targets would also enable shareholders to better evaluate the rigor of JBHT’s emissions management strategies.

Setting science-based GHG emissions reduction targets may help unlock important opportunities for growth as business customers are increasingly demanding environmental accountability from suppliers. For example, Walmart, one of JBHT’s major customers, is aiming to drastically reduce its supply chain emissions by encouraging its suppliers to set their own ambitious, science-based emissions reduction targets.

As a sign of growing investor interest, one of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: “Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets.”

MITCHELL || WILLIAMS

425 WEST CAPITOL AVENUE, SUITE 1800
LITTLE ROCK, ARKANSAS 72201-3525
TELEPHONE 501-688-8800
FAX 501-688-8807

December 17, 2018

BY ELECTRONIC MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

**RE: J.B. Hunt Transport Services, Inc.
Exclusion of Shareholder Proposal of Trillium Asset Management, LLC
Securities Exchange Act of 1934 – Rule 14a-8**

Ladies and Gentlemen:

We are counsel to J.B. Hunt Transport Services, Inc., an Arkansas Corporation (the “Company” or “J.B. Hunt”). The Company has authorized us to submit this letter on its behalf pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to notify the Securities and Exchange Commission (the “Commission”) of the Company’s intention to exclude a shareholder proposal and supporting statement (collectively, the “Proposal”) from the proxy materials for the Company’s 2019 Annual Meeting of Stockholders (the “Proxy Materials”).

The Proposal was submitted through a letter dated November 5, 2018, by Trillium Asset Management, LLC on behalf of the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation (together, the “Proponent” or “Trillium”) for inclusion in the Company’s Proxy Materials for the Company’s 2019 Annual Meeting.

The Company requests confirmation that the Staff of the Division of Corporation Finance (the “Staff”) will not recommend to the Commission that any enforcement action be taken if the Company excludes the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(7).

In accordance with Section C of the Staff Legal Bulletin No. 14D (Nov. 7, 2008), this letter and its attachments are being emailed to the Staff. Also, in accordance with Rule 14a-8(j), a copy of this letter and its attachments are being delivered simultaneously to the Proponent and the Proponent’s representative, informing them of the Company’s intention to omit the Proposal from its Proxy Materials.

The Company currently intends to file its definitive 2019 Proxy Materials with the Commission on or about March 7, 2019. Therefore, in accordance with Rule 14a-8(j), this letter is being filed with the Commission at least 80 calendar days before the date upon which the Company expects to file its definitive 2019 Proxy Materials.

The Proposal

The Proponent requests the inclusion of the following resolution in the Company's 2019 proxy statement:

Resolved: Shareholders request J.B. Hunt Transport Services (JBHT) adopt company-wide, quantitative targets to reduce total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report, prepared at reasonable cost and omitting proprietary information, discussing its plan and progress towards achieving these targets.

A copy of the Proposal, as well as related correspondence from Proponents, is attached to this letter as Exhibit A.

Basis for Exclusion

The Proposal may be excluded from J.B. Hunt's 2019 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters directly relating to the Company's ordinary business operations.

A. Background.

Under Rule 14a-8(i)(7), a proposal is excludable if it "deals with a matter relating to the company's ordinary business operations." The Commission has explained that there are two central considerations determine whether a proposal is excludable under Rule 14a-8(i)(7). *See* Staff Legal Bulletin No. 14I (November 1, 2017). The first consideration relates to the proposal's subject matter, while the second consideration relates to the degree to which the proposal seeks to "micro-manage" the company. *Id.*

Regarding the first consideration, the Staff explained that proposals may be excluded if they raise matters that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." However, such a proposal may not be excluded if it "focuses on policy issues that are sufficiently significant because they transcend ordinary business and would be appropriate for a shareholder vote." The Staff further explained that a company's board of directors is "well situated to analyze, determine and explain whether a particular issue" meets this threshold. Whether this significant policy exception applies also partly depends on the connection between the policy issue and the company's business operations.

Regarding the second consideration, a proposal seeks to “micro-manage” a company if it probes too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. According to Securities Exchange Act Release No. 40018 (May 21, 1998), a proposal may do this if it “involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” The Staff also noted in Staff Legal Bulletin 14J (October 23, 2018) that this framework is applicable to proposals that call for a study or a report. In that case, the Staff considers the underlying substance of the matters addressed by the study or report. As an example, the Staff noted that “a proposal calling for a report may be excludable if the substance of the report relates to the imposition or assumption of specific timeframes or methods for implementing complex policies.”

B. The Proposal may be excluded based on its subject matter.

J.B. Hunt is a transportation and logistics company. The decisions management makes regarding GHG emissions are invariably ordinary business matters. The types of transportation equipment, cost and analysis of fuel, and system logistics directly impact GHG emissions. It is not possible for the Company to singularly focus on reducing GHG emissions without affecting a myriad of the Company’s ordinary business decisions. Such decisions necessarily involve day-to-day operations that are best executed by the Company’s management. Thus, the Proposal is excludable pursuant to Rule 14a-8(i)(7).

The Staff has long found that Proposals that provide shareholders the opportunity to second-guess management’s decisions regarding operations constitute an attempt to interfere with the day-to-day conduct of ordinary business operations. Additionally, the Staff has consistently taken the position that shareholder proposals relating to business decisions affecting a company’s operations and products, including the quality and design of operations and products, may be omitted from the issues proxy material pursuant to paragraph 14a-8(i)(7).

In The Chubb Corporation (Available January 25, 2004), the Staff agreed that a proposal requesting the board of directors to prepare a report providing a comprehensive assessment of Chubb’s strategies to address the impacts of climate change on its business was excludable under Rule 14a-8 as it related to ordinary business operations. Additionally, in Hewlett-Packard Co., (Available December 12, 2006), the Staff found a basis to agree with the Hewlett-Packard’s view that a proposal that requested the board of directors to report on the development of the Company’s policy concerning greenhouse gases was excludable under Rule 14a-8 as it related to HP’s ordinary business operations.

Given the degree of complexity of the Company’s operations, it is nearly impossible to isolate one environmental concern (e.g., GHG emissions) from the multitude of considerations that management must consider when determining how to most effectively and efficiently operate the Company’s business and provide competitive services. The evaluation of its core operations and services requires the Company’s management to evaluate a broad spectrum of legal, internal and external business considerations and various other risks, none of which can be isolated from other factors. The impact of an environmental concern, such as GHG emissions, is merely one factor that is considered in evaluating the Company’s existing loss exposures and

potential opportunities for profit as it relates to its core business model. As a provider of extensive and expansive transportation services, the Company's GHG emissions are directly linked to the fuel efficiency of the Company's transportation equipment. Fuel efficiency is a significant economic factor in the Company's operational decision making, in terms of both fuel costs, as well as equipment costs, utilization and replacement. Thus, GHG emissions are inherently taken into account in the ordinary day-to-day operational management of the Company. Moreover, fuel efficiency, and thus GHG emissions, can be significantly impacted by factors beyond management's control, such as harsh weather, regulations, supply-chain disruptions and rapidly fluctuating fuel prices, all of which requires continuous monitoring and the ability of management to adjust its operations and business strategies accordingly. The ability to make such decisions requires extensive and nuanced business judgments relating to the Company's operations and services and is fundamental to management's ability to control the day-to-day operations of the Company. It would be impractical for the shareholders to oversee such specific decision-making.

C. The Proposal does not focus on an issue that is sufficiently significant to transcend the Company's ordinary business and thus be practically subject to direct shareholder oversight.

We acknowledge that the Proposal touches upon the significant social issue of environmental sustainability and climate change. However, the issue of GHG emission reduction is not so significantly related to the business of providing integrated, multimodal supply chain solutions to meet customers' transportation and logistics needs as to transcend the Company's ordinary business decisions or be subject to direct shareholder oversight. In Staff Legal Bulletin No. 14(J), the Staff provided various factors that should be analyzed by a company's board of directors when determining whether an issue is sufficiently significant in relation to the company. Those factors include:

- The extent to which the proposal relates to the company's core business activities;
- The extent of shareholder engagement on the issue and the level of shareholder interest expressed through that engagement;
- Whether the company's shareholders have previously voted on the matter and the board's views as to the related voting results; and
- Whether the company has already addressed the issue in some manner, including the differences – or the delta – between the proposal's specific request and the actions the company has already taken, and an analysis of whether the delta presents a significant policy issue for the company.

J.B. Hunt is one of the largest transportation logistics companies in North America. J.B. Hunt's core business is to provide safe and reliable transportation services to a diverse group of customers throughout the continental United States, Canada and Mexico. Effectively and efficiently running a vast and expansive transportation and supply chain solutions company involves highly complicated and careful cost analysis, especially as it relates to fuel efficiency and carbon emissions. Environmental considerations, such as those identified in the Proposal, are already built into the Company's core modeling as it relates to its mission to provide customized

freight movement, revenue equipment, labor and systems services tailored to meet the customer's specific requirements.

The Company has previously received two similar shareholder proposals requesting that the Company adopt company-wide, quantitative targets for reducing GHG emissions and report on its plans toward achieving those targets, including a proposal submitted by the Proponent for the Company's 2017 Annual Meeting of Stockholders and a proposal submitted by a separate shareholder proponent for the Company's 2015 Annual Meeting of Stockholders. Each of these proposals was voted on by the Company's shareholders and received approximately 21.4% and 16.8%, respectively, of the votes cast on such proposals. The Company to date has not received further shareholder engagement by its shareholders on the issue GHG emissions reductions. Therefore, based on the results of these votes and the lack of further shareholder engagement, the Company believes a substantial majority of its shareholders agree that setting company-wide, quantitative targets for reducing GHG emissions and reporting on the Company's plans toward achieving those targets is not a matter appropriately subject to direct shareholder oversight.

As articulated by the Company's board of directors in its statements of opposition to such proposals as published in the Company's proxy statements for the respective Annual Meetings¹, the Company recognizes that reducing GHG emissions is important to shareholders, customers, the communities the Company serves, the global environment and ultimately the Company's future success. The Company strives to offer transportation solutions that help reduce both costs and carbon emissions while meeting or exceeding its customers' operational needs. The board of directors believes the Company has been and continues to be an industry leader in offering environmentally-friendly transportation services and has undertaken a variety of green initiatives throughout the business. The board of directors has noted the following examples²:

- The Company's Intermodal segment, which accounted for approximately 57% of its total revenue in 2017, owns and operates the world's largest fleet of 53-foot stackable containers, through which freight that would ordinarily be transported by truck can be carried largely by rail. During 2017, the Company moved approximately 2.0 million intermodal loads, effectively preventing nearly 3.4 million tons of carbon dioxide equivalent from entering the atmosphere, which is equivalent to removing over 700,000 passenger vehicles off the road for a year. The Company estimates that converting over-the-road shipments to intermodal shipments is 50% more fuel efficient.
- The Company engineers and designs customer solutions with an emphasis on energy efficiency, including following a five-step customer solution that (1) measures baseline energy use/carbon emissions, (2) minimizes total miles traveled, (3) maximizes payload, (4) optimizes mode of transport, and (5) selects the most efficient carriers.
- The Company deploys sophisticated optimization-based planning tools to minimize daily energy consumption when transporting customer shipments.

¹ J.B. Hunt Definitive Proxy Statements on Schedule 14A filed with the Commission on March 12, 2015 (pages 40–41) and March 13, 2018 (pages 43–44), respectively, available at <https://www.sec.gov/>.

² J.B. Hunt Definitive Proxy Statement on Schedule 14A filed with the Commission on March 13, 2018 (pages 43–44).

- The Company continually searches for and evaluates opportunities to utilize emerging technologies in the area of exhaust-free vehicles and currently has two electric vehicle pilot programs in place within its Dedicated Contract Services segment.
- In each of the past ten years, the Company has received a SmartWay[®] Excellence Award in recognition of the Company's dedication to energy efficiency and decreased overall carbon dioxide emissions. The SmartWay Program is a public-private initiative between the U.S. Environmental Protection Agency ("EPA"), the freight transportation industry, and other federal and state agencies which seeks to reduce transportation-related emissions by improving supply-chain efficiency. The Company has been a partner in the SmartWay Program every year since 2008 and was named a High Performer on a list the EPA created this past year.
- Since 2010, the Company has offered our customers a proprietary CLEAN Transport[™] carbon calculator that allows customers to measure and track their carbon footprints and identify opportunities for intermodal conversion to reduce emissions.
- The Company regularly participates in industry working groups focused on reducing GHG emissions and improving environmental impacts, including the Sustainability Consortium, the Sustainability Accounting Standards Board, the Global Logistics Emissions Council and the Environmental Defense Fund.
- The Company provides information on a number of its environmental initiatives on its corporate website and since 2010 has reported on these efforts to customers and investors in an industry standard format through the Carbon Disclosure Project.
- The Company also regularly works with government agencies, including the U.S. Department of Energy and the EPA, as those agencies engage in a process that will determine the applicable rules, regulations and guidelines that govern the transportation industry.
- The Company has a strong record of ensuring that its revenue equipment complies with required emission standards. For instance, as an integral component of the Company's operations, the Company undergoes ongoing evaluation to monitor the efficacy of new technologies to reduce energy use and carbon emissions.
- The Company has pursued a number of other sustainability innovations, such as reducing tractor engine idling through driver incentive programs, installing on-board equipment such as direct-fired heaters and auxiliary power units, burning biodiesel fuels when available, governing top speeds on company-owned equipment to maximize fuel efficiency and safety, and using proprietary algorithms to determine the least cost method of shipping, which ultimately decreases carbon dioxide emissions, as well as the number of trucks and drivers on the road.

Based on these current and continued initiatives to reduce the Company's impact on the environment, the Company has concluded that adopting the Proposal's specific request to adopt company-wide, quantitative targets to reduce GHG emissions and to issue a report on the Company's plans and progress towards achieving these targets would not materially add to the Company's existing GHG emissions reduction efforts and thus does not present a sufficiently significant policy issue that transcends the ordinary business of the Company. Further, being required to establish and report on arbitrary company-wide, quantitative targets could hinder the Company's ability to successfully compete in the transportation marketplace, reduce the Company's profitability and thus negatively impact the financial interests of its shareholders.

D. The Proposal may be excluded because it seeks to micro-manage the Company.

Even if the Commission believes that the Proposal focuses on an issue that is sufficiently significant to the Company, the Commission has repeatedly allowed exclusion of proposals touching on significant policy issues where the proposals seek to micro-manage the company by specifying in detail the manner in which the company should address the policy issue. *See e.g.* Ford Motor Company (March 2, 2004) (allowing exclusion of a proposal requesting the preparation and publication of a highly detailed report regarding the existence of global warming or cooling); Marriott International Inc. (March 17, 2010) (allowing exclusion of a proposal limiting showerhead flow to no more than 1.6 gallons per minute and requiring mechanical switches to control the level of water flow); and Apple, Inc. (December 5, 2016) (allowing exclusion of a proposal that the company reach a net-zero greenhouse gas emission status by 2030 for all aspects of its business, including major suppliers).

As noted above, the analysis of whether a proposal probes too deeply into matters of a complex nature by involving intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies is also applicable to proposals that call for a report. The Commission has allowed exclusion of a proposal calling for a report where the substance of the report relates to the imposition or assumption of specific timeframes or methods for implementing complex policies. *See* JPMorgan Chase & Co. (March 30, 2018) (allowing exclusion of a proposal calling for the establishment of a human and indigenous peoples' rights committee).

Further, the Commission has allowed exclusion of proposals concerning the sale of particular products and services or choice of operational technologies, even if they touch on a significant policy issue, because deciding which products and services to offer and how to do so is particularly within the management function of a company and requires complex analysis beyond the ability of shareholders as a group. *See e.g.* Dominion Resources, Inc. (February 22, 2011) (allowing exclusion of a proposal requesting that Dominion provide customers with the option to purchase electricity from 100% renewable sources by a certain date) and FirstEnergy Corp. (March 8, 2013) (allowing exclusion of a proposal calling for a report on the effect of increasing the electricity provider's use of renewable energy sources because it concerned the company's choice of technologies for its operations).

1. *The Proposal seeks to micro-manage the Company because it delves too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment.*

In a no-action letter granted to Apple, Inc. (“Apple”) on December 5, 2016, the Commission allowed exclusion of a proposal (the “Apple Proposal”) requesting that Apple generate a feasible plan for reaching net-zero greenhouse gas emissions by the year 2030 for all aspects of its business, including major suppliers. Apple acknowledged the social issue inherent in the proposal, noting that Apple devoted significant time and resources to its approach toward climate change and related disclosures, but argued that the Apple Proposal went too far. Specifically, Apple argued that the Apple Proposal would require Apple management to replace its own judgments on all aspects of Apple’s business with a course of action directed solely at meeting an arbitrary target. The Commission allowed exclusion of the Apple Proposal because it delved too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment.

On February 26, 2018, the Staff allowed an oil and natural gas exploration and production company, EOG Resources, Inc. (“EOG”) to exclude a proposal (the “EOG Proposal”) submitted by Trillium requesting that EOG adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas emissions and issue a report discussing its plans and progress towards achieving these targets. EOG explained that its management balanced numerous factors on a day-to-day basis that enabled EOG to quickly change operational strategies in response to internal and external developments. EOG further explained that the operational strategies could not be separated from emissions management because the two were so closely intertwined. The Staff cited micro-management as the basis in granting the no-action request.

Similar to the Apple and EOG proposals, the Proposal would require J.B. Hunt management to subjugate its real-time operational decisions to company-wide, rigid, time-bound quantitative targets. Factors that are largely beyond the Company’s control would impact whether the Company would be able to satisfy arbitrary emissions targets, such as the demand for different types of transportation services provided by the Company, customer needs, certain geographical considerations, availability and economic efficiency of certain modes of transportation, including rail services, availability of qualified drivers, and availability and cost of diesel fuel and revenue equipment. Management could be forced to focus on and prioritize arbitrary emissions targets to the exclusion or at the expense of any one or more of the multitude of other factors that would otherwise influence their decisions. The Proposal would replace the careful balancing of such factors that direct management’s decisions on how to offer its services and manage its operations—complex decisions that are uniquely within the purview of J.B. Hunt management and upon which shareholders as a group are not in a position to make an informed decision.

The Company has acted and continues to act on the important policy issue touched on by the Proposal through policies and procedures and the disclosure of quantitative metrics and narrative information; however, the Proposal’s specific directive as to how the Company should respond to climate change is not compatible with J.B. Hunt’s operations. To present the Proposal to shareholders would be to override the complex analysis undertaken by the Company’s

management in making operational decisions—an analysis that even a highly sophisticated stockholder would not be equipped to undertake.

2. *The Proposal seeks to micro-manage the Company because it calls for a report that relates to the imposition or assumption of specific methods for implementing complex policies.*

In Staff Legal Bulletin 14J (October 23, 2018), the Staff stated that, with regard to proposals that call for a study or report, it would “consider the underlying substance of the matters addressed by the study or report.” To support this statement, the Staff quoted the following language from Release No. 34-20091 (August 16, 1983) (the “1983 Release”): “In the past, the staff has taken the position that proposals requesting issuers to prepare reports on specific aspects of their business or to form special committees to study a segment of their business would not be excludable under Rule 14a-8(c)(7). Because this interpretation raises form over substance and renders the provisions of paragraph (c)(7) largely a nullity . . . , the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7).”

On March 30, 2018, the Commission granted a no-action request submitted by JPMorgan Chase & Co. (“JPMorgan”) and allowed exclusion of a proposal (the “JPMorgan Proposal”) requesting that JPMorgan establish a human and indigenous peoples’ rights committee, which would also establish certain policies and procedures related to the rights of indigenous peoples. JPMorgan argued that the JPMorgan Proposal would, through the establishment of a committee and subsequent policies and procedures, involve a matter of ordinary business and would thus micro-manage the company. The Commission allowed exclusion of the JPMorgan Proposal because it micro-managed JPMorgan by seeking to impose specific methods for implementing complex policies.

Like the JPMorgan Proposal, the Proposal seeks to micromanage the company because it seeks to impose a specific method for implementing complex policies. Although the JPMorgan Proposal called for the establishment of a committee, rather than a report, the same analysis applies to the Proposal per the 1983 Release. Setting specific company-wide, quantitative GHG emissions targets involves complex operational decisions made by management personnel at various levels across the Company’s multiple business segments and functional divisions based on analyses, projections and assumptions regarding, among other things, the Company’s operations and long-term strategy, anticipated technological development, projected cash flows, capital expenditure requirements and anticipated fuel and energy requirements. Business judgments must then be made about the strategic allocation of resources among these different strategies. Further, while the Proposal does not on its face set a particular time-frame for acting, the substance of the Proposal – to adopt quantitative GHG emissions reduction targets and to report on the Company’s progress toward achieving such targets – inherently requires the creation of specific, time-bound benchmarks against which the Company’s progress would be measured. Therefore, implementing the Proposal would require management to replace its own judgments as to how to best allocate the Company’s resources to achieve its long-term growth strategy, and instead prioritize specific courses of action directed solely at meeting certain GHG emission targets. These aspects of the Company’s business are simply too complex for

shareholders to exercise direct oversight. Additionally, implementing the infrastructure necessary to collect and assess this information would require the allocation of significant resources and entail considerable expense without commensurate material benefits to the Company's shareholders. By substituting the Proponent's business judgment for management's business judgment, the Proposal fundamentally interferes with management's ability to exercise its judgment to run the Company and operate its business on a day-to-day basis. The Company also believes that the preparation of the report would have no material effect on its commitment to conducting its business in an environmentally responsible manner.

Further, as previously discussed, the Company already recognizes the importance of environmental stewardship and is committed to conducting its business in an environmentally responsible manner. Management has taken steps, in its discretion, to mitigate the environmental impact of the Company's operations, including the initiatives outlined in Section C above. All of those initiatives are examples of how management has adopted practices consistent with environmental goals in the context of the Company's business, and not according to an arbitrary standard thrust upon management from the perspective of Proponent.

3. *The Proposal seeks to micro-manage the Company because it relates to operational technologies and the sale of particular services in the ordinary course of the Company's business.*

The Staff has consistently taken the position that proposals seeking to dictate management's decisions regarding the selection of products or services a company offers for sale implicate the company's ordinary business operations and are thus excludable under Rule 14a-8(i)(7). *See, e.g.,* Amazon.com, Inc. (avail. Mar. 11, 2016) (concurring in the exclusion of a shareholder proposal requesting that the company "issue a report addressing animal cruelty in the supply chain," since "the proposal relates to the products and services offered for sale by the company" and noting that "[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)"); Amazon.com, Inc. (avail. Mar. 27, 2015) (permitting the exclusion of a shareholder proposal requesting the disclosure of any reputational and financial risks the company may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells and noting that "[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)"); Papa John's International, Inc. (avail. Feb. 13, 2015)(granting no-action relief under Rule 14a-8(i)(7) because the proposal related to the choice of products offered for sale); Lowe's Companies, Inc. (avail. Mar. 18, 2010) (granting no-action relief under Rule 14a-8(i)(7) with regard to a proposal encouraging the company to place warning labels on the glue traps sold in its stores, explicitly noting that "the proposal relates to the manner in which [the company] sells particular products" and that "[p]roposals concerning the sale of particular products are generally excludable under rule 14a-8(i)(7)"); The Home Depot, Inc. (avail. Mar. 12, 2010) (same); PetSmart, Inc. (avail. Apr. 8, 2009) (concurring that a proposal requesting that the board of directors "produce a report on the feasibility of [the company] phasing out its sale of live animals by 2014" may be excluded under Rule 14a-8(i)(7), as it relates to the "sale of particular goods"); Lowe's Companies, Inc. (avail. Feb. 1, 2008) (permitting the exclusion of a proposal encouraging the company end its sale of glue traps, as it relates to "the sale of a particular product"); The Home Depot, Inc. (avail. Jan. 24, 2008) (same).

The Staff has made clear that proposals relating to the sale of services are equally excludable under Rule 14a-8(i)(7) as those relating to the sale of goods. *See, e.g.*, JPMorgan Chase & Co. (avail. Mar. 7, 2013) (concurring in the exclusion of a proposal requesting that the board “adopt public policy principles for national and international reforms to prevent illicit financial flows. . .” based upon principles specified in the proposal, expressly noting that “the proposal relates to principles regarding the products and services that the company offers”); Wells Fargo & Co. (avail. Jan. 28, 2013, recon. denied Mar. 4, 2013) (granting no-action relief under Rule 14a-8(i)(7) where the proposal requested that the company prepare a report discussing the adequacy of the company’s policies in addressing the social and financial impacts of the company’s direct deposit advance lending service, noting in particular that “the proposal relates to the products and services offered for sale by the company” and that “[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)”); General Electric Co. (avail. Jan. 7, 2011) (permitting the exclusion of a proposal focused on the scope of the financial services offered by the company, explicitly stating that “the proposal appears to relate to the emphasis that the company places on the various products and services it offers for sale” and that “[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7)”).

In a no-action letter granted to FirstEnergy Corp. (“FirstEnergy”) on March 8, 2013, the Staff allowed exclusion of a proposal requesting a report on the effect of increasing FirstEnergy's use of renewable energy sources because it concerned the company’s choice of technologies for its operations. The Staff concurred with FirstEnergy that electricity generation is a complex process that requires management to make complex ‘choice of technologies’ decisions about the appropriate mix of electricity generating units (coal-fired, nuclear, hydroelectric, oil and natural gas and wind capacity) and that such decisions are beyond the realm of a shareholder vote.

The primary services sold by the Company involve the transportation of freight via truck and/or rail within the continental United States, Canada and Mexico and other logistics services designed to help customers optimize the efficiency of their supply chain. The methods and equipment used to transport freight vary according to a multitude of factors, including the type of freight, customer preferences, geographical considerations, and the availability and economic efficiency of certain modes of transportation. Reducing GHG emissions requires technological advances, capital investments and operational modifications among the various modes through which the Company transports freight for its customers, all of which relates directly to the services offered by the Company. Similarly, decisions regarding the optimal mode(s) of transportation for shipments of freight (e.g., the use of electric trucks) are complex “choice of technology” decisions that are beyond the realm of a shareholder vote.

Because the Proposal constrains the ability of J.B. Hunt’s management to determine matters regarding operational technologies and how to provide services to its customers, the Proposal is similarly excludable under Rule 14a-8(i)(7).

Conclusion

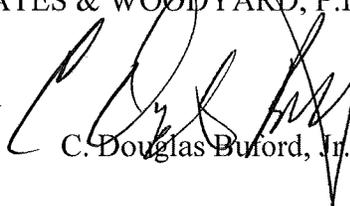
Based upon the foregoing analysis, we respectfully request that the Staff take no action if J.B. Hunt excludes the Proposal from its Proxy Materials.

Your prompt response to this letter is respectfully requested. If the Staff believes that it will not be able to take the no-action position requested above, we would appreciate the opportunity to confer with the Staff prior to the issuance of a negative response. Please contact me at dbuford@mwlaw.com, or (501) 688-8866, if you require additional information or wish to discuss this submission.

Very truly yours,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.

By



C. Douglas Buford, Jr.

cc: Mr. David G. Mee, Chief Financial Officer
J.B. Hunt Transport Services, Inc.

Mr. Allan Pearce
Trillium Asset Management, LLC

Attachment

Exhibit A

Shareholder Proposal of Trillium Asset Management, LLC



November 5, 2018

David Mee
Corporate Secretary
J.B. Hunt Transport Services, Inc.
615 J.B. Hunt Corporate Drive
Lowell, Arkansas 72745

Dear Secretary,

Trillium Asset Management LLC ("Trillium") hereby submits the enclosed shareholder proposal with J.B. Hunt Transport Services, Inc. (JBHT) on behalf of the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation for inclusion in the Company's 2019 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council and the Threshold Foundation each hold more than \$2,000 of JBHT common stock, acquired more than one year prior to today's date and held continuously for that time. As evidenced in the attached letters, the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation will remain invested in this position continuously through the date of the 2019 annual meeting. We will forward verification of each position separately and will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives.

Please direct any communications to me at (503) 953-8345, or via email at apearce@trilliuminvest.com.

I would appreciate receiving a confirmation of receipt of this letter via email.

Sincerely,

A handwritten signature in blue ink that reads "Allan Pearce".

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC

Greenhouse Gas Emissions Reduction Targets

Resolved: Shareholders request J.B. Hunt Transport Services (JBHT) adopt company-wide, quantitative targets to reduce total greenhouse gas (GHG) emissions, taking into account the goals of the Paris Climate Agreement, and issue a report, prepared at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

Supporting Statement: Proponents recommend JBHT consider the methods outlined by the Science Based Targets Initiative (sciencebasedtargets.org) to ensure its emissions reductions targets are consistent with the ambitions of the Paris Climate Agreement.

Whereas: The Paris Climate Agreement of 2015 that was agreed to by 195 countries established a target to limit global temperature increases to 2°C above pre-industrial levels, ideally striving for 1.5°C. Achieving this limited warming scenario will require “rapid and far-reaching” transitions for many sectors, including transportation, according to a 2018 report from the Intergovernmental Panel on Climate Change.

Data from the U.S. Energy Information Administration shows the transportation sector recently surpassed the electricity generation sector as the largest producer of GHG emissions. Transportation is also the only major U.S. sector with increasing emissions – the residential, commercial, industrial, and electric power sectors have been reducing emissions for several years.

Aware of the need to increase the scale and pace of action on climate change, nearly 1,200 global companies have stated intentions to set “science-based” emissions reduction targets to ensure they are doing their part to fulfill the ambitions of the Paris Climate Agreement. This includes Expeditors International, Republic Services, Waste Management and Norfolk Southern, companies JBHT identifies as peers. In addition, roughly half of JBHT’s Fortune 500 peers have set quantitative GHG emissions reduction targets.

JBHT has stated it takes climate change seriously. It has adopted various initiatives to reduce fuel consumption and its Inter-Modal operations provide emissions reductions for its clients. However, the Company has not set company-wide, quantitative targets, nor has it aligned its efforts with climate science.

Proponents believe adopting such targets would help JBHT align new and existing initiatives, lower costs, increase competitiveness, mitigate the risks of severe weather events, and prepare for changing regulations. Setting company-wide, quantitative targets would also enable shareholders to better evaluate the rigor of JBHT’s emissions management strategies.

Setting science-based GHG emissions reduction targets may help unlock important opportunities for growth as business customers are increasingly demanding environmental accountability from suppliers. For example, Walmart, one of JBHT’s major customers, is aiming to drastically reduce its supply chain emissions by encouraging its suppliers to set their own ambitious, science-based emissions reduction targets.

As a sign of growing investor interest, one of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation

Investment Management, and BlackRock, is: "Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets."

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Trillium Small/Mid Cap Fund at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Trillium Small/Mid Cap Fund is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Trillium Small/Mid Cap Fund intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Trillium Small/Mid Cap Fund, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that The Trillium Small/Mid Cap Fund's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



Michelle McDonough
Partner

Trillium Asset Management, LLC, Investment Advisor to the Trillium Small/Mid Cap Fund

11/2/18
Date

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Community Environmental Council at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Community Environmental Council is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that has been held continuously for more than one year. The Community Environmental Council intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

The Community Environmental Council specifically gives Trillium Asset Management, LLC full authority to deal on its behalf, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. The Community Environmental Council intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. The Community Environmental Council understands that its name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



John Steed
President of the Board, Community Environmental Council

Nov. 2, 2018
Date

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Timken Matthews Family Foundation at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Timken Matthews Family Foundation is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Timken Matthews Family Foundation intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Timken Matthews Family Foundation, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that the Timken Matthews Family Foundation's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



Tom Matthews, The Timken Matthews Family Foundation

10/31/2018 9:34:41 AM PDT

Date



2875 Route 35 | Katonah, NY | 10536

t 914.257.3598

info@thresholdfoundation.org

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave Suite 250
Portland, OR 97209
Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Threshold Foundation at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets. The Threshold Foundation is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Threshold Foundation intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting. I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Threshold Foundation, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that The Threshold Foundation's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

A handwritten signature in black ink that reads "Joan Briggs".

Joan Briggs
Foundation Director
Threshold Foundation

10/25/18



November 16, 2018

David G. Mee
Corporate Secretary
J.B. Hunt Transport Services, Inc.
615 J.B. Hunt Corporate Drive
Lowell, Arkansas 72745

Dear Secretary,

As stated in Trillium's Filing Letter of November 5, 2018 and in accordance with the SEC Rules, please find the attached custodial letters from U.S. Bank and Charles Schwab documenting that the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation hold sufficient company shares to file a proposal under rule 14a-8. Also, please see the attached authorization letter from the Trillium Small/Mid Cap Fund, the Timken Matthews Family Foundation, the Community Environmental Council, and the Threshold Foundation showing the beneficial holder of the shares intends to hold the shares through the date of the company's 2019 Annual Meeting.

Rule 14a-8(f) requires notice of specific deficiencies in our proof of eligibility to submit a proposal. Therefore we request that you notify us if you see any deficiencies in the enclosed documentation

Please direct any communications to me at (503) 953-8345; via mail at Trillium Asset Management, LLC; 721 NW Ninth Ave, Suite 250, Portland, OR 97209; or via e-mail at apearce@trilliuminvest.com

Sincerely,

A handwritten signature in cursive script that reads 'Allan C Pearce'.

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC



Fund Custody
Trust Technology and Support Services
1555 N. Rivercenter Drive, Suite 302
Milwaukee, WI 53212
usbank.com

11/14/18

Re: Trillium Small/Mid Cap Fund/Acct # ***

This letter is to confirm that US Bank holds as custodian for the above client 2587 shares of common stock in J B Hunt (JBHT). These 2587 shares have been held in this account continuously for at least one year prior to November 5, 2018

These shares are held at Depository Trust Company under the nominee name US Bank

This letter serves as confirmation that the shares are held by US Bank

A handwritten signature in black ink, appearing to read "Micah Milhans", written over a horizontal line.

Micah Milhans

Assistant Vice President



November 9, 2018

RE: The Timken Matthews Family Foundation/Acct ***

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 483 shares of JBHT common stock. These 483 shares have been held in this account continuously for at least one year prior to November 5, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "Shaun Tracey". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Shaun Tracey

Relationship Specialist

charles
SCHWAB

November 8, 2018

RE: The Threshold Foundation/Acct ***

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 74 shares of JBHT common stock. These 74 shares have been held in this account continuously for at least one year prior to November 5, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,



Shaun Tracey

Relationship Specialist



November 9, 2018

RE: Community Environmental Council/Acct ***

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 161 shares of JBHT common stock. These 161 shares have been held in this account continuously for at least one year prior to November 5, 2018.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Tracey", with a long horizontal flourish extending to the right.

Shaun Tracey

Relationship Specialist

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

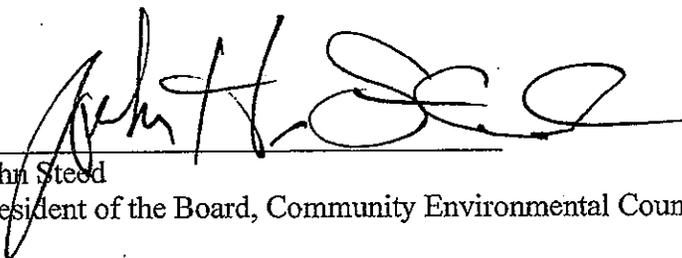
Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Community Environmental Council at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Community Environmental Council is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that has been held continuously for more than one year. The Community Environmental Council intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

The Community Environmental Council specifically gives Trillium Asset Management, LLC full authority to deal on its behalf, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. The Community Environmental Council intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. The Community Environmental Council understands that its name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



John Steed
President of the Board, Community Environmental Council

Nov. 2, 2018
Date

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Timken Matthews Family Foundation at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Timken Matthews Family Foundation is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Timken Matthews Family Foundation intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Timken Matthews Family Foundation, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that the Timken Matthews Family Foundation's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



Tom Matthews, The Timken Matthews Family Foundation

10/31/2018 9:34:41 AM PDT

Date

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave
Suite 250
Portland, OR
97209

Fax: 617-482-6179

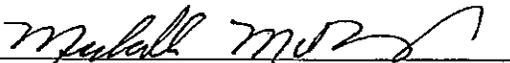
Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Trillium Small/Mid Cap Fund at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets.

The Trillium Small/Mid Cap Fund is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Trillium Small/Mid Cap Fund intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting.

I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Trillium Small/Mid Cap Fund, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that The Trillium Small/Mid Cap Fund's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



Michelle McDonough
Partner
Trillium Asset Management, LLC, Investment Advisor to the Trillium Small/Mid Cap Fund

11/2/18

Date



2875 Route 35 | Katonah, NY | 10536

t 914.257.3598

info@thresholdfoundation.org

Allan Pearce
Shareholder Advocate
Trillium Asset Management, LLC
721 NW Ninth Ave Suite 250
Portland, OR 97209
Fax: 617-482-6179

Dear Mr. Pearce:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Threshold Foundation at J.B. Hunt Transport Services, Inc. on the subject of Greenhouse gas emissions reduction targets. The Threshold Foundation is the beneficial owner of more than \$2,000 of J.B. Hunt common stock that it has held continuously for more than one year. The Threshold Foundation intends to hold the aforementioned shares of stock continuously through the date of the company's 2019 annual meeting. I specifically give Trillium Asset Management, LLC full authority to deal on behalf of the Threshold Foundation, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the Company's 2019 Annual Meeting. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that The Threshold Foundation's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Joan Briggs".

Joan Briggs
Foundation Director
Threshold Foundation

10/25/18