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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 0-15057

P.A.M. TRANSPORTATION SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	71-0633135
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Highway 412 West
P.O. Box 188
Tontitown, Arkansas 72770
(501) 361-9111
(Address of principal executive offices, including zip code, and telephone number, including area code)

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

Securities registered pursuant to section 12(g) of the Act: Common Stock, $.01 par value

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

Yes X No

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

The aggregate market value of the common stock of the registrant held by non-affiliates of the registrant on March 15, 2001 was $16,715,648. Solely for the purposes of this response, executive officers, directors and beneficial owners of more than five percent of the Company's common stock are considered the affiliates of the Company at that date.

The number of shares outstanding of the issuer's common stock, as of March 15, 2001: 8,475,957 shares of $.01 par value common stock.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders to be held in 2001 is incorporated by reference in answer to Part III of this report, with the exception of information regarding executive officers required under Item 10 of Part III, which information is included in Part I, Item 1.

Certain statements contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial results and plans for future business development activities, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, general economic conditions, competition in the transportation industry and other uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

PART I

ITEM 1. BUSINESS

P.A.M. Transportation Services, Inc. (the "Company"), operating through its wholly-owned subsidiaries, is an irregular route, common and contract motor carrier authorized to transport general commodities throughout the continental United States and the Canadian provinces of Ontario and Quebec, pursuant to operating authorities granted by the former Interstate Commerce Commission ("ICC"), various state regulatory agencies and Canadian regulatory agencies. Under its operating authorities, the Company may transport all types of freight (except household goods, commodities in bulk and certain explosives) intrastate within any state, and from any point in the continental United States, Ontario or Quebec to any other point in the continental United States or in Ontario or Quebec over any route selected by the Company. The Company transports dry freight commodities ("freight") in 48-foot and 53-foot long, high cube conventional and specialized freight vans ("trailers"). The freight consists primarily of automotive parts, consumer goods, such as general retail store merchandise, and products from the manufacturing sector, such as heating and air conditioning units. All freight is transported as truckload quantities.

The Company is a holding company organized under the laws of the State of Delaware in June 1986 and conducts its operations through its wholly-owned subsidiaries, P.A.M. Transport, Inc. ("P.A.M. Transport"), P.A.M. Special Services, Inc., T.T.X., Inc., P.A.M. Dedicated Services, Inc., P.A.M. Logistics Services, Inc., Choctaw Express, Inc., Choctaw Brokerage, Inc., Allen Freight Services, Inc. and Decker Transport Co., Inc. The Company's operating authorities are held by P.A.M. Transport, P.A.M. Dedicated Services, Inc., Choctaw Express, Inc., Choctaw Brokerage, Inc., Allen Freight Services, Inc. and Decker Transport Co., Inc. Although not organized until June 1986, the Company is, for financial accounting purposes, the successor to P.A.M. Transport, which was organized under the laws of the State of Arkansas in 1980. Unless the context otherwise requires, all references to the Company in this Annual Report on Form 10-K include P.A.M. Transportation Services, Inc. and its subsidiaries.

The Company is headquartered and maintains its primary terminal, maintenance facilities and corporate and administrative offices in Tontitown in the northwest corner of Arkansas, a major center for the trucking industry and where the support services (including warranty repair services) of most major tractor and trailer equipment manufacturers are readily available.

MARKETING/MAJOR CUSTOMERS

The Company's marketing emphasis is directed to that segment of the truckload market which is generally service-sensitive, as opposed to being solely price competitive. Since 1990, the Company has diversified its marketing efforts to gain access to non-traditional freight traffic, including international (Mexico and Canada), domestic regional short-haul, dedicated fleet services and intermodal transportation. The Company also participates in various "core carrier" partnerships with its larger customers. The Company estimates that approximately 70% of its deliveries to customers are made on a JIT ("just in time") basis, whereby products and raw materials are scheduled for delivery as they are needed on the retail customer's shelves or in the manufacturing customer's production line. Such requirements place a premium on the freight carrier's delivery performance and reliability. With respect to these JIT deliveries, approximately 30% require the use of two-man driver teams to meet the customer's schedule. The need for this service is a product of modern manufacturing and assembly methods which are designed to drastically decrease inventory levels and handling costs.

The Company's marketing efforts are conducted by ten outside sales persons domiciled within the Company's major markets. Field personnel are supervised from Company headquarters, emphasizing an even flow of freight traffic (balance between originations and destinations in a given geographical area) and minimization of movement of empty equipment.

During 2000, the Company's five largest customers, for which the Company provides carrier services covering a number of geographic locations, accounted for approximately 55% of total revenues. General Motors Corporation accounted for approximately 33% of 2000 revenues. A total loss of this business, however unlikely, would have an adverse impact on the Company's operations, at least over the short term.

The Company also provides transportation services to other manufacturers who are suppliers for automobile manufacturers. As a result, concentration of the Company's business within the industry is greater than the concentration in a single customer. Of the Company's revenues for 2000 that were attributable to its top ten customers, approximately 50% were derived from transportation services provided to the automobile industry.

OPERATIONS

The Company maintains dispatch offices at its headquarters, as well as its offices in Jacksonville, Florida; Columbia, Mississippi; Warren, Ohio; Oklahoma City, Oklahoma; Willard, Ohio; Riverdale, New Jersey; Laredo, Texas; and Irving, Texas, with a toll free WATS line to facilitate communications with both customers and drivers. The location, status and contact assignment of all of the Company's equipment are available on an up-to-date basis through the Company's computer system, which permits the Company to better meet delivery schedules, respond to customer inquiries and match equipment with the next available load.

The Company has installed Qualcomm OmnitracsTM display units in all of its tractors. The Omnitracs system is a satellite-based global positioning and communications system that allows fleet managers to communicate directly with drivers. Drivers can provide location status and updates directly to the customer's computer, saving telephone usage cost, lost productivity, and inconvenience. The Omnitracs system provides customer service with accurate estimated time of arrival information which optimizes load selection and service levels to the Company's customers. In order to lower its tractor to trailer ratio, the Company has also installed Qualcomm TrailerTracsTM tracking units in all of its trailers. The TrailerTracs system is a tethered trailer tracking product that enables the Company to more efficiently track the location of all trailers in its inventory as they connect and disconnect to Qualcomm equipped Company equipment. The system has been extended through a partnership with Qualcomm and its Mexican subsidiary, CNR, to provide the same information when the Company's trailers are picked up and dropped by Mexican carriers providing through trailer service into Mexico.

The Company communicates through electronic data interchange with many of its customers, providing live status reports of freight shipments and arrival time information. This system provides the Company's customers flexibility and convenience by allowing the customer to tender freight electronically.

REVENUE EQUIPMENT

The Company operated a fleet of 1,413 tractors and 3,759 trailers at December 31, 2000. All except 117 tractors are owned by the Company. The tractors that are not Company owned are leased from owner/operators on a per mile basis.

At the end of the respective years, the average age of the Company's tractors was 1.74 years in 1998, 1.64 years in 1999 and 1.72 years in 2000. The average age of the Company's trailer fleet was 3.31, 3.97, and 4.66 at the end of 1998, 1999, and 2000, respectively.

During 2000, the Company purchased 355 new tractors and 51 new trailers and disposed of 379 tractors and 127 trailers. During 2001, the Company expects to purchase 460 new tractors and 100 new trailers while continuing to sell or trade older equipment.

MAINTENANCE

The Company has a strictly enforced comprehensive preventive maintenance program for the tractors and trailers it operates. Inspections and various levels of repair and preventive maintenance are performed at set mileage intervals on both tractors and trailers. Although a significant portion of maintenance is performed at the Company's maintenance facility in Tontitown, Arkansas, the Company's subsidiaries have additional maintenance facilities in Columbia, Mississippi; Springfield, Missouri; Riverdale, New Jersey; Willard and Warren, Ohio; Oklahoma City, Oklahoma; and Irving, Laredo and El Paso, Texas. These facilities enhance the Company's preventive and routine maintenance operations and are strategically located on major transportation routes where a majority of the Company's freight originates and terminates. A maintenance and safety inspection is performed on all vehicles each time they return to a terminal. The Company's primary maintenance facilities consist of thirteen mechanical repair bays, four body-shop bays and three safety and maintenance inspection bays. The Company believes that its current maintenance facilities will be adequate to accommodate its fleet for the foreseeable future.

The Company's tractors carry full warranty coverage of at least 350,000 miles. Extended warranties are negotiated with the manufacturer and major component manufacturer (i.e., engine, transmission, differential) for up to 750,000 miles. Trailers are also warranted by the manufacturer and major component manufacturer for up to five years.

Manufacturers of tractors are required to certify that new tractors meet federal emission standards and the Company receives such certifications on each new tractor it acquires. Certain governmental regulations require the Company to adhere to a fuel and oil spillage prevention plan and to comply with regulations concerning the discharge and disposal of waste oil. The Company believes it is in compliance with applicable waste disposal and emission regulations. The Company also maintains insurance to cover clean up expense in the event of a spill.

DRIVERS

At December 31, 2000, the Company utilized 1,779 drivers in its operations. All drivers are recruited, screened, drug tested and trained and are subject to the control and supervision of the Company's operations and safety departments. The Company's driver training program stresses the importance of safety and reliable, on-time delivery. Drivers are required to report to their dispatchers daily and at the earliest possible moment when any condition en route occurs which might delay their scheduled delivery time.

The Company's drivers are selected only after strict application screening and drug testing. Before being permitted to operate a vehicle for the Company, drivers must undergo classroom instruction on Company policies and procedures, safety techniques and proper operation of equipment and then must pass both written and road tests. Instruction in defensive driving and safety techniques continues after hiring, with the Company holding seminars at its terminals in Tontitown, Arkansas; Jacksonville, Florida; Columbia, Mississippi; Riverdale, New Jersey; Warren, Ohio; and Oklahoma City, Oklahoma. The Company currently employs approximately 55 persons on a full-time basis in its driver recruiting, training and safety instruction programs.

The Company's drivers are compensated on the basis of miles driven, loading and unloading, extra stops and layovers in transit. Drivers can earn bonuses by recruiting other qualified drivers who become employed by the Company and both cash and non-cash prizes are awarded for consecutive periods of safe, accident-free driving.

Intense competition in the trucking industry for qualified drivers over the last several years, along with difficulties and added expense in recruiting and retaining qualified drivers, has had a negative impact on the industry. The Company's operations have also been impacted and from time to time the Company has experienced under-utilization and increased expenses due to a shortage of qualified drivers. Management places the highest of priorities on the recruitment and retention of an adequate supply of qualified drivers.

EMPLOYEES

At December 31, 2000, the Company employed 2,154 persons, of which 1,779 were drivers, 108 were maintenance personnel, 116 were employed in operations, 29 were employed in marketing, 55 were employed in safety and personnel, and 67 were employed in general administration and accounting. The Company also had 117 owner/operators under contract compensated on a per mile basis. None of the Company's employees are represented by a collective bargaining unit and the Company believes that its employee relations are good.

REGULATION

The Company is a common and contract motor carrier that is regulated by various federal and state agencies. Effective January 1, 1996, the ICC Termination Act of 1995 (the "Act") abolished the Interstate Commerce Commission ("ICC") and established within the Department of Transportation ("DOT") the

Surface Transportation Board, which maintains limited oversight authority over motor carriers.

The Company is subject to safety requirements prescribed by the DOT. Such matters as weight and dimension of equipment are also subject to federal and state regulations. All of the Company's drivers are required to obtain national driver's licenses pursuant to the regulations promulgated by the DOT. Also, DOT regulations impose mandatory drug and alcohol testing of drivers. The Company believes that it is in compliance in all material respects with applicable regulatory requirements relating to its trucking business and operates with a "satisfactory" rating (the highest of three grading categories) from the DOT.

The trucking industry is subject to possible regulatory and legislative changes (such as increasingly stringent environmental regulations or limits on vehicle weight and size) that may affect the economics of the industry by requiring changes in operating practices or by changing the demand for common or contract carrier services or the cost of providing truckload services. These types of future regulations could unfavorably affect the Company's operations.

COMPETITION

The trucking industry is highly competitive. The Company competes primarily with other irregular route long-haul truckload carriers, with private carriage conducted by its existing and potential customers, and, to a lesser extent, with the railroads. Increased competition has resulted from deregulation of the trucking industry and has generally exerted downward pressure on prices. The Company competes on the basis of its quality of service and delivery performance, as well as price. Many of the other irregular route long-haul truckload carriers have substantially greater financial resources, own more equipment or carry a larger total volume of freight than the Company.

EXECUTIVE OFFICERS

The executive officers of the Company are as follows:

Name	Position with Company
Robert W. Weaver	President and Chief Executive Officer
W. Clif Lawson	Executive Vice President and Chief Operating Officer
Larry J. Goddard	Vice President-Finance, Chief Financial Officer, Secretary and Treasurer

ROBERT W. WEAVER, age 50, is a co-founder of the Company and served as its Vice President from March 1980 to June 1986. He was President and Chief Operating Officer from June 1986 until he resigned in February 1987. Between February 1987 and September 1989, he was self-employed as a transportation consultant. In September 1989, Mr. Weaver returned to the Company as President and Chief Operating Officer and a director. On February 22, 1990, he was appointed Chief Executive Officer.

W. CLIF LAWSON, age 47, has been Executive Vice President of the Company since August 1989 and Chief Operating Officer since March 1992. He joined the Company in June 1984 and served in various operations and sales capacities until August 1989.

LARRY J. GODDARD, age 42, has been Vice President-Finance and Chief Financial Officer since January 1991 and served as Controller of the Company from May 1989 to January 1991. In addition, he has served as Secretary since

September 1989, and Treasurer since May 1991. From November 1987 to May 1989, he served as General Accounting Manager of the Company.

ITEM 2. PROPERTIES.

The Company's executive offices and primary terminal facilities are located in Tontitown, Arkansas. The Company's facilities are located on approximately 45 acres and consist of 79,193 square feet of office space and maintenance and storage facilities. The Company's facilities in Tontitown are owned by the Company.

The Company's subsidiaries also lease terminal facilities in Jacksonville, Florida; Springfield, Missouri; Riverdale, New Jersey; Warren, Ohio; Oklahoma City, Oklahoma; Memphis, Tennessee; and Laredo, El Paso, and Irving, Texas; the terminal facilities in Columbia, Mississippi; and Willard, Ohio are owned. The leased facilities are leased primarily on a month-to-month basis, and provide on-the-road maintenance and trailer drop and relay stations.

The Company has access to trailer drop and relay stations in various locations across the country. Certain of these facilities are leased by the Company on a month-to-month basis from an affiliate of its majority shareholder.

The Company believes that all of the properties owned or leased by the Company are suitable for their purposes and adequate to meet the Company's needs.

ITEM 3. LEGAL PROCEEDINGS.

The nature of the Company's business routinely results in litigation, primarily involving claims for personal injuries and property damage incurred in the transportation of freight, and management of the Company believes all such litigation is adequately covered by insurance and that adverse results in one or more of those cases would not have a material adverse effect on the Company's financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of security holders of the Company during the fourth quarter ended December 31, 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Common Stock is traded on the Nasdaq National Market under the symbol PTSI. The following table sets forth, for the fiscal quarters indicated, the range of the high and low sales price per share for the Common Stock as quoted on the Nasdaq National Market.

<TABLE>
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Fiscal Year Ended December 31, 2000

	High	Low
<S>	<C>	<C>
First Quarter	$ 11.44	$ 8.50
Second Quarter	11.00	8.00
Third Quarter	10.63	8.25
Fourth Quarter	10.00	7.63

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<TABLE>
<CAPTION>
Fiscal Year Ended December 31, 1999

	High	Low
<S>	<C>	<C>
First Quarter	$ 10.00	$ 7.00
Second Quarter	9.88	8.94
Third Quarter	12.88	9.25
Fourth Quarter	12.13	9.81

</TABLE>

As of March 15, 2001, the number of stockholders of record was approximately 284. The Company has not declared or paid any cash dividend on its common stock. The policy of the Board of Directors of the Company is to retain earnings for the expansion and development of the Company's business. Future dividend policy and the payment of dividends, if any, will be determined by the Board of Directors in light of circumstances then existing, including the Company's earnings, financial condition and other factors deemed relevant by the Board of Directors.

ITEM 6. SELECTED FINANCIAL DATA.

The following selected financial data should be read in conjunction with the Consolidated Financial Statements and notes thereto included elsewhere herein.

<TABLE>
<CAPTION>

	Years Ended December 31,				
	2000	1999	1998	1997	1996
	(in thousands, except per share amounts)				
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:					
Operating revenues	$205,245	$207,381	$143,164	$127,211	$113,021
Operating expenses:					
Salaries, wages and benefits	90,680	90,248	65,169	57,662	52,444
Operating supplies	37,728	35,246	26,511	24,666	21,909
Rent and purchased transportation	12,542	13,309	1,082	1,655	1,824
Depreciation and amortization	18,806	18,392	14,003	12,995	11,999
Operating taxes and licenses	11,140	11,334	8,388	7,581	6,734
Insurance and claims	8,674	7,945	6,069	5,571	5,004
Communications and utilities	2,234	2,365	1,583	1,001	1,090
Other	3,756	4,388	3,131	2,394	2,077
(Gain) loss on sale or disposal of property	285	(301)	168	71	375
Total operating expenses	185,845	182,926	126,104	113,596	103,456

Operating income	19,400	24,455	17,060	13,615	9,565
Interest expense	(5,048)	(5,650)	(3,830)	(3,423)	(4,137)
Other	-	-	1	-	31
Income before income taxes	14,352	18,805	13,231	10,192	5,459
Income taxes	5,694	7,536	5,158	3,892	2,147
Net income	$ 8,658	$ 11,269	$ 8,073	$ 6,300	$ 3,312
Earnings per common share:					
Basic	$ 1.02	$ 1.34	$ 0.97	$ 0.77	$ 0.66
Diluted	$ 1.02	$ 1.33	$ 0.96	$ 0.76	$ 0.44
Average common shares outstanding-Basic	8,455	8,393	8,306	8,192	5,035
Average common shares outstanding-Diluted(1)	8,518	8,488	8,444	8,290	7,578

(1) Diluted income per share for 2000, 1999, 1998, 1997 and 1996 assumes the exercise of stock purchase warrants and stock options to purchase an aggregate of 208,602, 262,097, 317,040, 347,850 and 3,545,280 shares of Common Stock, respectively.
</TABLE>

<TABLE>
<CAPTION>

	At December 31,				
	2000	1999	1998	1997	1996
	(in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:					
Total assets	164,518	168,961	126,471	100,688	94,985
Long term debt	42,073	55,617	44,816	28,226	34,938
Shareholders' equity	62,210	53,365	41,457	33,162	26,312

</TABLE>

<TABLE>
<CAPTION>

	Years Ended December 31,				
	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA:					
Operating ratio (1)	90.5%	88.2%	88.1%	89.4%	91.5%
Average number of truckloads per week	5,169	4,885	3,425	2,874	2,437
Average miles per trip	713	734	767	786	845
Total miles traveled (in thousands)	183,476	186,355	131,847	115,622	102,946
Average miles per tractor	128,936	128,966	125,569	125,404	122,250
Average revenue per tractor per week	$ 2,897	$ 2,848	$ 2,716	$ 2,694	$ 2,684
Average revenue per loaded mile	$ 1.18	$ 1.18	$ 1.15	$ 1.17	$ 1.17
Empty mile factor	5.6%	5.4%	5.5%	5.8%	6.1%
At end of period:					
Total company-owned/leased tractors	1,413(2)	1,468(3)	1,127(4)	975(4)	912(5)
Average age of all tractors (in years)	1.72	1.64	1.74	1.94	1.85
Total trailers	3,759	3,846(6)	2,784(7)	2,678(8)	2,398(9)
Average age of trailers (in years)	4.66	3.97	3.31	2.85	2.60
Number of employees	2,154	1,899	1,656	1,446	1,438

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(1) Total operating expenses as a percentage of total operating revenues.
(2) Includes 117 owner operator tractors.
(3) Includes 148 owner operator tractors.
(4) Includes 94 owner operator tractors.
(5) Includes 126 owner operator tractors.
(6) Includes 21 trailers leased from an affiliate of the Company's majority shareholder.
(7) Includes 46 trailers leased from an affiliate of the Company's majority shareholder.
(8) Includes 66 trailers leased from an affiliate of the Company's majority shareholder.
(9) Includes 74 trailers leased from an affiliate of the Company's majority shareholder.
</TABLE>

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

The following table sets forth the percentage relationship of revenue and expense items to operating revenues for the periods indicated.

<TABLE>
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Percentage of Operating Revenues
Years Ended December 31,

<S>	2000 <C>	1999 <C>	1998 <C>
Operating revenues	100%	100%	100%
Operating expenses:			
Salaries, wages and benefits	44.2	43.5	45.5
Operating supplies	18.4	17.0	18.5
Rent and purchased transportation	6.1	6.4	0.8
Depreciation and amortization	9.2	8.9	9.8
Operating taxes and licenses	5.4	5.5	5.9
Insurance and claims	4.2	3.8	4.2
Communications and utilities	1.1	1.1	1.1
Other	1.8	2.1	2.2
(Gain) loss on sale or disposal of property	0.1	(0.1)	0.1
Total operating expenses	90.5	88.2	88.1
Operating income	9.5	11.8	11.9
Interest expense	(2.5)	(2.7)	(2.7)
Income before income taxes	7.0	9.1	9.2
Federal and state income taxes	(2.8)	(3.6)	(3.6)
Net income	4.2%	5.5%	5.6%

</TABLE>

RESULTS OF OPERATIONS

2000 COMPARED TO 1999

For the year ended December 31, 2000, revenues were $205 million as compared to $207 million for the year ended December 31, 1999. The decrease relates primarily to a decrease in the average number of tractors from 1,445 in 1999 to 1,423 in 2000. The decrease in revenue from fewer tractors was partially offset by an increase in the Company's utilization (revenue per tractor per work day) which increased 1.6% from $570 in 1999 to $579 in 2000.

The Company's operating ratio increased from 88.2% in 1999 to 90.5% in 2000.

Salaries, wages and benefits increased from 43.5% of revenues in 1999 to 44.2% of revenues in 2000. The increase relates primarily to an increase in driver pay packages early in the third quarter of 2000.

Operating supplies and expenses increased from 17.0% of revenues in 1999 to 18.4% of revenues in 2000. The increase relates primarily to an increase in fuel costs of 1.3% of revenues net of a fuel surcharge passed to customers.

Insurance and claims increased from 3.8% of revenues in 1999 to 4.2% of revenues in 2000. The increase relates primarily to an increase in rates for auto liability insurance coverage.

The Company's effective tax rate decreased from 40.1% in 1999 to 39.7% in 2000.

Net income decreased to $8.6 million, or 4.2% of revenues, in 2000 from $11.3 million, or 5.5% of revenues in 1999, representing a decrease in diluted net income per share to $1.02 in 2000 from $1.33 in 1999.

1999 COMPARED TO 1998

For the year ended December 31, 1999, revenues increased 44.9% to $207 million as compared to $143 million for the year ended December 31, 1998. The Company's utilization (revenue per tractor per work day) increased 5.0% from $543 in 1998 to $570 in 1999.

The Company's operating ratio increased from 88.1% in 1998 to 88.2% in 1999.

Salaries, wages and benefits decreased from 45.5% of revenues in 1998 to 43.5% of revenues in 1999. The decrease relates primarily to the brokerage operations of Decker Transport in which revenues are generated through the use of outside transportation services and not Company paid drivers.

Operating supplies and expenses decreased from 18.5% of revenues in 1998 to 17.0% of revenues in 1999. The decrease, which was partially offset by an increase in fuel costs, relates primarily to costs associated with the Decker brokerage operations being combined and paid to other transportation companies in the form of purchased transportation.

Rent and purchased transportation increased from 0.8% of revenues in 1998 to 6.4% of revenues in 1999. The increase relates primarily to the purchase of transportation services from other transportation companies in order to support brokerage operations.

Depreciation and amortization decreased from 9.8% of revenues in 1998 to 8.9% of revenues in 1999. The decrease relates primarily to the utilization of outside transportation companies' drivers and equipment in order to perform brokerage activities.

The Company's effective tax rate increased from 39.0% in 1998 to 40.1% in 1999. This increase is related to payments made to Decker drivers in the form of a per diem which is only partially deductible by the Company for federal and state income tax purposes.

Net income increased to $11.3 million, or 5.5% of revenues, in 1999 from $8.1 million, or 5.6% of revenues in 1998, representing an increase in diluted net income per share to $1.33 in 1999 from $.96 in 1998.

LIQUIDITY AND CAPITAL RESOURCES

During 2000, the Company generated $32.5 million in cash from operating activities. The ratio of current assets to current liabilities was .8 at the end of 2000, compared to .8 and 1.2 at the end of 1999 and 1998, respectively.

Investing activities used $17.7 million in cash during 2000 compared to $47.8 million and $38.3 million in 1999 and 1998, respectively. The cash used in all three years related primarily to the purchase of revenue equipment used in the Company's operations.

Financing activities used $17.9 million in cash during 2000 primarily for the payment of long-term debt originally incurred to finance the purchase of revenue equipment used in the Company's operations.

The Company's principal subsidiary, P.A.M. Transport, Inc., maintains two $15.0 million lines of credit with separate financial institutions. These bank lines of credit are secured by accounts receivable or revenue equipment and are subject to borrowing limitations. Withdrawals from the lines of credit are at an interest rate of LIBOR as of the first day of the month plus either 1.40% or 1.15%. The Company's borrowing limitations on the two lines of credit at December 31, 2000 were $7.2 million and $5.0 million, respectively. These two lines of credit are guaranteed by the Company and mature on May 31, 2002 and November 30, 2002. The Company was in compliance with all provisions of both agreements at December 31, 2000.

In addition to cash flow from operations, the Company uses its existing lines of credit on an interim basis to finance capital expenditures and repay long-term debt. Longer-term transactions, such as installment notes (generally three and four year terms at fixed rates) are typically entered into for the purchase of revenue equipment; however, the Company purchased additional revenue equipment during 2000 with a cost of approximately $28.8 million using its existing line of credit and cash on hand. In addition, P.A.M. Transport, Inc., entered into an installment obligation during 2000 in the amount of approximately $4.2 million in order to finance revenue equipment previously acquired utilizing its line of credit. This obligation is payable in 48 monthly installments at an interest rate of 7.25%. The Company's weighted average interest rates on all borrowings were 6.75%, 6.73% and 7.68% for 2000, 1999 and 1998, respectively.

During 2000, the Company sold or traded revenue equipment for approximately $12.8 million. The Company plans to replace 100 trailers and 460 tractors in 2001, which would result in additional debt of approximately $21.2 million. Management expects that the Company's existing working capital and its available lines of credit will be sufficient to meet the Company's capital commitments as of December 31, 2000, to repay indebtedness coming due in the current year, and to fund its operating needs during fiscal 2001.

INSURANCE

Auto liability and collision coverage are generally subject to a $2,500 deductible per occurrence while cargo loss coverage generally has a $1,000 deductible. The Company maintains a reserve for estimated losses for claims incurred, and maintains a reserve for claims incurred but not reported (based on the Company's historical experience). The Company is fully-insured through an insurance company for workers' compensation coverage in Arkansas, Oklahoma, Mississippi and Florida. The Company continues to be self-insured for workers' compensation coverage in Ohio with excess coverage maintained for claims exceeding $350,000. The Company has reserved for estimated losses to pay such claims as incurred as well as claims incurred but not reported. The Company has not experienced any adverse trends involving differences in claims experienced versus claims estimates for workers' compensation reserves. The Company contracts a third-party licensed associate of risk management and a certified Hazard Control Manager to develop its workers' compensation reserves using the Company's historical data of past injuries. Letters of credit are held by a bank as security for workers' compensation claims in Arkansas, Oklahoma, Mississippi, and Florida, respectively, and two letters of credit are held by a bank for auto liability claims.

SEASONALITY

The Company's revenues do not exhibit a seasonal pattern, due primarily to its varied customer mix. Operating expenses are generally somewhat higher in the winter months, primarily due to decreased fuel efficiency and increased maintenance costs in cold weather.

ENVIRONMENTAL

The Company has no outstanding inquiries with any federal or state environmental agency at December 31, 2000.

INFLATION

Inflation has an impact on most of the Company's operating costs. Recently, the effect of inflation has been minimal.

Competition for drivers has increased in recent years, leading to increased labor costs. While increases in fuel and driver costs affect the Company's operating costs, the effects of such increases are not greater for the Company than for other trucking concerns.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

The Company is exposed to market risks from changes in interest rates. The Company's two lines of credit bear interest at a floating rate equal to LIBOR plus either 1.40% or 1.15%. Accordingly, changes in LIBOR, which is effected by changes in interest rates generally, will affect the interest rate on, and therefore the Company's costs under, the lines of credit.

The Company may temporarily invest excess cash in money market funds. Changes in interest rates would not significantly affect the fair value of these cash investments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following statements are filed with this report:

Report of Independent Public Accountants

Consolidated Balance Sheets - December 31, 2000 and 1999

Consolidated Statements of Income - Years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Shareholders' Equity - Years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Cash Flows - Years ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

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

No response is required to this item.

P.A.M. Transportation Services, Inc. and Subsidiaries

Consolidated Financial Statements

Years ended December 31, 2000, 1999 and 1998
with Report of Independent Public Accountants

CONTENTS

Report of Independent Public Accountants

To the Board of Directors and Shareholders of
P.A.M. Transportation Services, Inc.:

We have audited the accompanying consolidated balance sheets of P.A.M. Transportation Services, Inc. (a Delaware corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of P.A.M. Transportation Services, Inc. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Fayetteville, Arkansas
February 9, 2001

<TABLE>
<CAPTION>

P.A.M. Transportation Services, Inc.

Consolidated Balance Sheets
(thousands, except shares and par value)

	December 31, 2000	December 31, 1999
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	$ 485	$ 3,557
Accounts receivable:		
Trade	23,291	22,890
Other	640	1,032
Operating supplies and inventories	71	60
Prepaid expenses and deposits	3,426	4,408
Deferred income taxes	401	378
Income taxes refundable	628	113
Total current assets	28,942	32,438
Property and equipment:		
Land	1,337	1,224
Structures and improvements	3,158	3,021
Revenue equipment	173,512	167,012
Service vehicles	583	667
Office furniture and equipment	6,046	5,578
	184,636	177,502

Accumulated depreciation	(59,308)	(51,382)
	125,328	126,120
Other assets:		
Excess of cost over net assets acquired, net of accumulated amortization (2000--$1,378; 1999--$973)	8,506	8,911
Non-competition agreements, net of accumulated amortization (2000--$261; 1999--$131)	131	261
Other	1,611	1,231
	10,248	10,403
Total assets	$ 164,518	$ 168,961

</TABLE>

<TABLE>
<CAPTION>

	December 31, 2000	1999
<S>	<C>	<C>
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable	$ 10,610	$ 11,210
Accrued expenses	8,074	7,674
Current portion of long-term debt	17,753	22,271
Total current liabilities	36,437	41,155
Long-term debt, less current portion	42,073	55,617
Deferred income taxes	23,798	18,693
Non-competition agreements	-	131
Shareholders' equity:		
Common stock, $.01 par value:		
Authorized shares--20,000,000		
Issued and outstanding shares: 2000-8,469,657; 1999-8,439,957	85	84
Additional paid-in capital	19,638	19,452
Retained earnings	42,487	33,829
Total shareholders' equity	62,210	53,365
Total liabilities and shareholders' equity	$ 164,518	$ 168,961

See accompanying notes.

</TABLE>

<TABLE>

<CAPTION>

P.A.M. Transportation Services, Inc.

Consolidated Statements of Income
(thousands, except per share data)

	Year ended December 31, 2000	1999	1998
<S>	<C>	<C>	<C>
Operating revenues	$205,245	$207,381	$143,164
Operating expenses and costs:			
Salaries, wages and benefits	90,680	90,248	65,169
Operating supplies and expenses	37,728	35,246	26,511
Rents and purchased transportation	12,542	13,309	1,082
Depreciation and amortization	18,806	18,392	14,003
Operating taxes and licenses	11,140	11,334	8,388
Insurance and claims	8,674	7,945	6,069
Communications and utilities	2,234	2,365	1,583
Other	3,756	4,388	3,131
(Gain) loss on sale or disposal of equipment	285	(301)	168
	185,845	182,926	126,104
Operating income	19,400	24,455	17,060
Interest expense	(5,048)	(5,650)	(3,829)
Income before income taxes	14,352	18,805	13,231
Federal and state income taxes:			
Current	1,056	2,107	1,323
Deferred	4,638	5,429	3,835
	5,694	7,536	5,158
Net income	$ 8,658	$ 11,269	$ 8,073
Earnings per common share:			
Basic	$ 1.02	$ 1.34	$ .97
Diluted	$ 1.02	$ 1.33	$ .96
Average common shares outstanding:			
Basic	8,455	8,393	8,306
Diluted	8,518	8,488	8,444

See accompanying notes.
</TABLE>

<TABLE>
<CAPTION>

P.A.M. Transportation Services, Inc.

Consolidated Statements of Shareholders' Equity
(thousands)

Additional

	Common Stock	Paid-In Capital	Retained Earnings	Total
<S>	<C>	<C>	<C>	<C>
Balances at December 31, 1997	$ 83	$ 18,592	$ 14,487	$ 33,162
Net income	-	-	8,073	8,073
Exercise of stock options-shares issued	-	175	-	175
Tax benefits of stock options	-	47	-	47
Balances at December 31, 1998	83	18,814	22,560	41,457
Net income	-	-	11,269	11,269
Exercise of stock options-shares issued	1	488	-	489
Tax benefits of stock options	-	150	-	150
Balances at December 31, 1999	84	19,452	33,829	53,365
Net income	-	-	8,658	8,658
Exercise of stock options-shares issued	1	186	-	187
Balances at December 31, 2000	$ 85	$ 19,638	$ 42,487	$ 62,210

See accompanying notes.
</TABLE>

<TABLE>
<CAPTION>

P.A.M. Transportation Services, Inc.

Consolidated Statements of Cash Flows
(thousands)

	Year ended December 31, 2000	1999	1998
<S>	<C>	<C>	<C>
Net income	$ 8,658	$ 11,269	$ 8,073
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,806	18,392	14,003
Non-competition agreement amortization	131	427	440
Provision for deferred income taxes	4,638	5,429	3,835
(Gain) loss on sale or disposal of equipment	285	(301)	168
Changes in operating assets and liabilities, net of acquisition:			
Accounts receivable	(242)	2,322	(2,261)
Prepaid expenses and other assets	592	563	(724)
Income taxes refundable	(516)	(75)	377
Trade accounts payable	(295)	920	(739)
Accrued expenses	400	609	343
Net cash provided by operating activities	32,457	39,555	23,515
Investing Activities			
Purchases of property and equipment	(30,732)	(51,480)	(46,119)
Proceeds from sale or disposal of equipment	12,842	12,668	7,846
Lease payments received on direct financing lease	231	670	-
Acquisition of business, net of cash acquired	-	(9,642)	-

Net cash used in investing activities	(17,659)	(47,784)	(38,273)
Financing Activities			
Borrowings under line of credit	196,472	199,508	173,227
Repayments under line of credit	(191,295)	(195,559)	(178,449)
Borrowings of long-term debt	4,384	24,179	43,785
Repayments of long-term debt	(27,158)	(22,589)	(24,017)
Other	(273)	284	(226)
Net cash provided by (used in) financing activities	(17,870)	5,823	14,320
Net decrease in cash and cash equivalents	(3,072)	(2,406)	(438)
Cash and cash equivalents at beginning of year	3,557	5,963	6,401
Cash and cash equivalents at end of year	$ 485	$ 3,557	$ 5,963

See accompanying notes.
</TABLE>

P.A.M. Transportation Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2000

1. ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS AND CONSOLIDATION

P.A.M. Transportation Services, Inc. (the Company), through its subsidiaries, operates as a truckload motor carrier.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: P.A.M. Transport, Inc., P.A.M. Dedicated Services, Inc., Choctaw Express, Inc., Allen Freight Services, Inc., T.T.X., Inc., and Decker Transport Co., Inc. All significant intercompany accounts and transactions have been eliminated.

Majority ownership of the Company is held by an affiliate of another transportation company.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TIRE PURCHASES

Tires purchased with revenue equipment are capitalized as a cost of the related equipment. Replacement tires are included in other current assets and are amortized over a 24-month period. Amounts paid for the recapping of tires are expensed when incurred.

EXCESS OF COST OVER NET ASSETS ACQUIRED

The excess of cost over net assets acquired, or goodwill, is being amortized on a straight-line basis over 25 years. The carrying value of goodwill will be reviewed if the facts and circumstances suggest that it may be impaired. No reduction of goodwill was required in 2000, 1999, or 1998.

CLAIMS LIABILITIES

With respect to cargo loss, physical damage and auto liability, the Company maintains adequate insurance coverage to protect it from certain business risks. These policies are with various carriers and have deductibles ranging from $0 to $2,500 per occurrence.

1. ACCOUNTING POLICIES (continued)

During 1998, the Company changed from being self-insured for workers' compensation coverage in Arkansas, Oklahoma, Mississippi and Florida with excess coverage maintained for claims exceeding $250,000, to being fully-insured for workers' compensation coverage in those states. The Company continues to be self-insured for workers' compensation coverage in Ohio with excess coverage maintained for claims exceeding $350,000. The Company has reserved for estimated losses to pay such claims as incurred as well as claims incurred but not reported. The Company has not experienced any adverse trends involving differences in claims experienced versus claims estimates for workers' compensation reserves. The Company contracts a third-party licensed associate of risk management and a certified Hazard Control Manager to develop its workers' compensation reserves using the Company's historical data of past injuries. Letters of credit in the amounts of $100,000, $200,000, $250,000, and $100,000 are held by a bank as security for workers' compensation claims in Arkansas, Oklahoma, Mississippi, and Florida, respectively, and letters of credit aggregating $704,500 are held by a bank for auto liability claims.

REVENUE RECOGNITION POLICY

The Company recognizes revenue based upon relative transit time in each reporting period with expenses recognized as incurred.

REPAIRS AND MAINTENANCE

Repairs and maintenance costs are expensed as incurred.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. For financial reporting purposes, the cost of such property is depreciated principally by the straight-line method. For tax reporting purposes, accelerated depreciation or applicable cost recovery methods are used. Gains and losses are reflected in the year of disposal. The following is a table reflecting estimated ranges of asset lives by major class of depreciable assets:

<TABLE>
<CAPTION>
<S> <C>

Asset Class	Estimated Asset Life
Revenue Equipment	3-7 years
Service Vehicles	3-5 years
Office Furniture & Equipment	3-7 years
Structures & Improvements	5-30 years

</TABLE>

1. ACCOUNTING POLICIES (continued)

INCOME TAXES

The Company applies the provisions of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS No. 109). SFAS No. 109 requires recognition of deferred tax liabilities and assets for expected future consequences of events that have been included in a company's financial statements or tax return. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statements and the tax basis of assets and liabilities using enacted tax rates.

BUSINESS SEGMENT AND CONCENTRATIONS OF CREDIT RISK

The Company operates in one business segment, motor carrier operations. The Company provides transportation services to customers throughout the United States and portions of Canada and Mexico. The Company performs ongoing credit evaluations and generally does not require collateral. The Company maintains reserves for potential credit losses and such losses have been within management's expectations.

In 2000, 1999 and 1998, one customer accounted for 33%, 30% and 35% of revenues, respectively. A second customer accounted for 10%, 9% and 12% of revenues in 2000, 1999 and 1998, respectively. The Company's largest customer is an automobile manufacturer. The Company also provides transportation services to other manufacturers who are suppliers for automobile manufacturers including the Company's largest customer. As a result, concentration of the Company's business within the automobile industry is greater than the concentration in a single customer. Of the Company's revenues for 2000, 1999 and 1998, 50%, 46% and 53%, respectively, were derived from transportation services provided to the automobile manufacturing industry.

COMPENSATION TO EMPLOYEES

Stock based compensation to employees is accounted for based on the intrinsic value method under Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees.

1. ACCOUNTING POLICIES (continued)

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, (SFAS No. 133), which was amended by Statement of Financial Accounting Standards No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities - an Amendment of FASB Statement No. 133 (SFAS No. 138). SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Companies must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 138 amends the accounting and reporting standards for certain derivative instruments and certain hedging activities, including the normal purchases and normal sales exception.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000 and must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid contracts that were issued, acquired, or substantively modified after December 31, 1997 (and, at the company's election, before January 1, 1998). The Company adopted SFAS No. 133 on January 1, 2001, however, as of December 31, 2000, the Company had no outstanding derivative instruments or embedded derivatives that were subject to the requirements of SFAS No. 133.

RECLASSIFICATIONS

Certain reclassifications have been made to prior years' consolidated financial statements to conform to the current year presentation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

<TABLE>
<CAPTION>

2. ACCRUED EXPENSES

	December 31, 2000	1999
	(thousands)	
<S>	<C>	<C>
Payroll	$1,266	$1,019
Accrued Vacation	784	793
Taxes	1,654	1,645
Interest	195	256
Driver escrows	818	925
Insurance	1,652	1,330
Current portion of non-competition agreements	131	131
Self-insurance claims reserves	1,574	1,575
	$8,074	$7,674

</TABLE>

<TABLE>
<CAPTION>

3. LONG-TERM DEBT

Long-term debt consists of the following:

<S>	December 31, 2000 (thousands) <C>	1999 <C>
Equipment financings (1)	$47,496	$69,728
Line of credit with a bank, due May 31, 2002 and collateralized by accounts receivable(2)	4,127	3,949
Line of credit with a bank, due November 30, 2002 and collateralized by revenue equipment(3)	5,000	-
Note payable (4)	2,602	3,348
Other financings (5)	601	863
	59,826	77,888
Less current maturities	17,753	22,271
	$42,073	$55,617

</TABLE>

(1) Equipment financings consist of installment obligations for revenue and service equipment purchases, payable in various monthly installments through 2004, at a weighted average interest rate of 6.75% and collateralized by equipment with a net book value of approximately $54.9 million at December 31, 2000.

3. LONG-TERM DEBT (continued)

(2) The line of credit agreement with a bank provides for maximum borrowings of $15.0 million and contains certain restrictive covenants that must be maintained by the Company on a consolidated basis. Borrowings on the line of credit are at an interest rate of LIBOR as of the first day of the month plus 1.40%. The Company was in compliance with all provisions of the agreement at December 31, 2000.

(3) The line of credit agreement with a bank provides for maximum borrowings of $15.0 million and contains certain restrictive covenants that must be maintained by the Company on a consolidated basis. Borrowings on the line of credit are at an interest rate of LIBOR as of the first day of the month plus 1.15%. The Company was in compliance with all provisions of the agreement at December 31, 2000.

(4) 6.0% note to the former owner of Decker Transport Company, Inc., payable in monthly installments of $77,216 through January 2004 and secured by a letter of credit from a bank in the amount of $1,300,000.

(5) Various notes with interest rates ranging from 6.0% to 8.0% payable in monthly installments through December 2005.

Scheduled annual maturities on long-term debt outstanding at December 31, 2000 are:

	(thousands)
2001	$ 17,753
2002	27,744

2003	10,724
2004	3,562
2005	43

	$ 59,826
	=========

Interest payments of approximately $5.1 million, $5.5 million, and $3.8 million were made during 2000, 1999 and 1998, respectively.

P.A.M. Transportation Services, Inc.
Notes to Consolidated Financial Statements (continued)

4. INCOME TAXES

Under SFAS No. 109, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts for income tax purposes.

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

<TABLE>
<CAPTION>

	December 31, 2000	December 31, 1999
	(thousands)	
Deferred tax liabilities:		
Property and equipment	$29,301	$25,107
Prepaid expenses	1,722	1,558
Total deferred tax liabilities	31,023	26,665
Deferred tax assets:		
Alternative minimum tax credit	4,785	4,659
Investment credit carryovers	355	1,096
Allowance for doubtful accounts	249	249
Vacation reserves	297	278
Self-insurance reserves	1,225	1,105
Non-competition agreement	515	691
Other	200	272
Total deferred tax assets	7,626	8,350
Net deferred tax liabilities	$23,397	$18,315

</TABLE>

The reconciliation between the effective income tax rate and the statutory Federal income tax rate is presented in the following table:

<TABLE>
<CAPTION>

	Year Ended December 31, 2000	1999	1998
	(thousands)		

<S> <C> <C> <C>

Income tax at the statutory Federal rate of 34%	$4,879	$6,394	$4,499
Nondeductible expenses	311	330	60
State income taxes	(195)	(82)	(85)
Other	(336)	(255)	(329)
Federal income taxes	4,659	6,387	4,145
State income taxes	1,035	1,149	1,013
Total income taxes	$5,694	$7,536	$5,158
Effective tax rate	39.7%	40.1%	39.0%

</TABLE>

4. INCOME TAXES (continued)

The current income tax provision consists of the following:

<TABLE>
<CAPTION>

	2000	1999	1998
	(thousands)		
<S>	<C>	<C>	<C>
Federal	$ 656	$1,866	$1,073
State	400	241	250
	$1,056	$2,107	$1,323

</TABLE>

As of December 31, 2000, the Company has investment tax credit carryovers of approximately $355,000, which begin expiring in 2001. The current taxes provided in 2000, 1999 and 1998 result from alternative minimum taxable income. The Company has alternative minimum tax credits of approximately $4.8 million at December 31, 2000, which carryover indefinitely.

Income taxes paid totaled approximately $1,100,000, $2,200,000 and $1,200,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

5. SHAREHOLDERS' EQUITY

The Company maintains an incentive stock option plan and a nonqualified stock option plan for the issuance of options to directors, officers, key employees and others. During 1998, the incentive stock option plan was amended to include an additional 400,000 shares available for future granting. The option price under these plans is the fair market value of the stock at the date the options were granted, ranging from $5.75 to $10.63 as of December 31, 2000. At December 31, 2000, approximately 630,000 shares were available for granting future options.

Outstanding incentive stock options at December 31, 2000, must be exercised within six years from the date of grant and vest in increments of 20% each year. Outstanding nonqualified stock options at December 31, 2000 must be exercised within five to six years and certain nonqualified options may not be exercised within one year of the date of grant.

P.A.M. Transportation Services, Inc.
Notes to Consolidated Financial Statements (continued)

5. SHAREHOLDERS' EQUITY (continued)

Transactions in stock options under these plans are summarized as follows:

	Shares Under Option	Price Range
Outstanding at December 31, 1997	342,850	$2.38-$7.38
Granted	33,000	$9.25-$10.63
Exercised	(49,800)	$2.38-$5.75
Outstanding at December 31, 1998	326,050	$2.38-$10.63
Granted	55,000	$8.63-$10.25
Exercised	(115,000)	$2.38-$6.00
Canceled	(1,050)	$2.38
Outstanding at December 31, 1999	265,000	$5.75-$10.63
Granted	10,000	$9.13
Exercised	(29,700)	$5.75-$6.75
Canceled	(5,000)	$7.38-$9.13
Outstanding at December 31, 2000	240,300	$5.75-$10.63
Options exercisable at December 31, 2000	201,300	

The following is a summary of stock options outstanding as of December 31, 2000:

Options Outstanding	Option Exercise Price	Weighted Average Remaining Years	Options Exercisable
130,000	$ 5.75	.5	130,000
3,000	$ 7.38	1.2	3,000
5,000	$ 6.50	1.4	5,000
6,300	$ 5.75	1.5	6,300
2,000	$ 6.00	2.2	2,000
3,000	$10.63	3.2	3,000
30,000	$ 9.25	3.6	18,000
8,000	$ 8.63	4.2	8,000
45,000	$10.25	4.6	18,000
8,000	$ 9.13	5.2	8,000

240,300	201,300

</TABLE>

5. SHAREHOLDERS' EQUITY (continued)

The Company adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS No. 123"). Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for the Company's stock option plans been determined consistent with the provisions of SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

<TABLE>
<CAPTION>

<S>	2000 (thousands) <C>	1999 <C>
Net income:		
As reported	$8,658	$11,269
Pro forma	$8,542	$11,076
Earnings per share as reported:		
Basic	$1.02	$1.34
Diluted	$1.02	$1.33
Pro forma earnings per share:		
Basic	$1.01	$1.32
Diluted	$1.00	$1.31

</TABLE>

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 31.63% to 76.64%; risk-free interest rate of 5.25% to 7.02%; and expected lives of five years.

6. EARNINGS PER SHARE

The Company applies Financial Accounting Standards Board Statement No. 128, Earnings Per Share, for computing and presenting earnings per share. Basic earnings per common share were computed by dividing the income by the weighted average number of shares outstanding during the period. Diluted earnings per share were calculated as follows:

6. EARNINGS PER SHARE (continued)

<TABLE>
<CAPTION>

	2000	1999	1998

(thousands, except per share data)

<S>	<C>	<C>	<C>
Actual net income (A)	$ 8,658	$11,269	$8,073
Assumed exercise of options and warrants	209	262	317
Application of assumed proceeds ($1,375, $1,621 and $1,606, respectively) toward repurchase of stock at an average market price of $9.430, $9.719 and $8.958 per share, respectively.	(146)	(167)	(179)
Net additional shares issuable	63	95	138
Adjustment of shares outstanding:			
Weighted average common shares outstanding	8,455	8,393	8,306
Net additional shares issuable	63	95	138
Adjusted shares outstanding (B)	8,518	8,488	8,444
Diluted earnings per common share - (A) divided by (B)	$ 1.02	$ 1.33	$ .96

</TABLE>

7. PROFIT SHARING PLAN

P.A.M. Transport, Inc. sponsors a profit sharing plan for the benefit of all eligible employees. The plan qualifies under Section 401(k) of the Internal Revenue Code thereby allowing eligible employees to make tax deductible contributions to the plan. The plan provides for employer matching contributions of 50% of each participant's voluntary contribution up to 3% of the participant's compensation. Total contributions to the plan totaled approximately $255,000, $200,000 and $133,000 in 2000, 1999 and 1998, respectively.

8. LITIGATION

The Company is not a party to any pending legal proceedings which management believes to be material to the financial position or results of operations of the Company. The Company maintains liability insurance against risks arising out of the normal course of its business.

9. QUARTERLY RESULTS OF OPERATIONS (Unaudited)

The tables below present quarterly financial information for 2000 and 1999:

<TABLE>
<CAPTION>

	2000			
	Three Months Ended			
	March 31	June 30	September 30	December 31
	(thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Operating revenues	$ 54,147	$ 53,034	$ 47,100	$ 50,964

Operating expenses	49,253	46,965	43,749	45,878
Operating income	4,894	6,069	3,351	5,086
Other expenses - net	1,354	1,368	1,184	1,142
Income taxes	1,412	1,881	823	1,578
Net income	$ 2,128	$ 2,820	$ 1,344	$ 2,366
Net income per common share:				
Basic	$ .25	$ .33	$ .16	$ .28
Diluted	$ .25	$ .33	$ .16	$ .28
Average common shares outstanding:				
Basic	8,440	8,444	8,465	8,470
Diluted	8,515	8,515	8,525	8,520

</TABLE>

<TABLE>
<CAPTION>

	1999			
	Three Months Ended			
	March 31	June 30	September 30	December 31
	(thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Operating revenues	$ 51,391	$ 53,675	$ 51,284	$ 51,032
Operating expenses	45,241	46,608	45,228	45,850
Operating income	6,150	7,067	6,056	5,182
Other expenses - net	1,404	1,479	1,413	1,354
Income taxes	1,938	2,294	1,849	1,455
Net income	$ 2,808	$ 3,294	$ 2,794	$ 2,373
Net income per common share:				
Basic	$ .34	$ .39	$ .33	$ .28
Diluted	$ .33	$ .39	$ .33	$ .28
Average common shares outstanding:				
Basic	8,342	8,378	8,421	8,445
Diluted	8,441	8,458	8,527	8,535

</TABLE>

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash and cash equivalents - The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value.

Long-term debt - The fair values of the Company's long-term debt are estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

Lines of credit - The carrying amount for the line of credit approximates fair value.

The carrying amounts and fair values of the Company's financial instruments at December 31 are as follows (in thousands):

<TABLE>
<CAPTION>

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<S>	<C>	<C>	<C>	<C>
Cash and cash equivalents	$ 485	$ 485	$ 3,557	$ 3,557
Long-term debt	50,699	50,305	73,939	73,705
Lines of credit	9,127	9,127	3,949	3,949

</TABLE>

11. ACQUISITION

On January 11, 1999, the Company closed the purchase of substantially all of the assets and assumed certain liabilities of Decker Transport Co., Inc., a truckload carrier located in New Jersey. The Company acquired assets, which consisted primarily of revenue equipment and trade accounts receivable, totaling approximately $21.0 million and assumed liabilities, which consisted primarily of installment note obligations and trade accounts payable, totaling approximately $14.1 million. In connection with this acquisition, the Company issued to the seller an installment note in the amount of $4.0 million at an interest rate of 6% and paid cash of approximately $9.8 million utilizing existing cash and its line of credit.

The purchase price has been allocated to assets and liabilities based on their estimated fair values as of the date of acquisition. Goodwill was recorded as a result of the purchase allocation and it is being amortized over a 25-year period. The Company also entered into three-year Non-competition Agreements with eight shareholders or officers/employees of Decker Transport Co., Inc.

11. ACQUISITION (continued)

The acquisition has been accounted for under the purchase method, effective January 11, 1999, with the operations of Decker included in the Company's financial statements since that date. Actual fiscal 1999 operating results are representative of 1999 pro forma amounts. The following fiscal 1998 pro forma financial information is based on the audited consolidated financial statements of P.A.M. Transportation Services, Inc. for the year ended December 31, 1998 and from the audited combined financial statements of Decker Transport Co., Inc. and

Van Houten Ltd. for the year ended December 31, 1998 and adjusted as if the acquisition had occurred on January 1, 1998, with certain assumptions made that management believes to be reasonable. This information is for comparative purposes only and does not purport to be indicative of the results of operations that would have occurred had the transaction been completed at the beginning of the period or indicative of the results that may occur in the future.

	1998 (unaudited) (thousands, except per share data)
Operating revenue	$ 191,616
Income from operations	17,402
Income before income tax provision	11,813
Net income	7,239
Earnings per share -basic	.87
Earnings per share -diluted	.86
Weighted average shares -basic	8,306
Weighted average shares -diluted	8,444

PART III

Except as to information with respect to executive officers which is contained in a separate heading under Item 1 to this Form 10-K, the information required by Part III of Form 10-K is, pursuant to General Instruction G (3) of Form 10-K, incorporated by reference from the Company's definitive proxy statement to be filed pursuant to Regulation 14A for the Company's Annual Meeting of Shareholders to be held on May 31, 2001. The Company will, within 120 days of the end of its fiscal year, file with the Securities and Exchange Commission a definitive proxy statement pursuant to Regulation 14A.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information responsive to this item is incorporated by reference from the section entitled "Election of Directors" contained in the proxy statement.

ITEM 11. EXECUTIVE COMPENSATION.

The information responsive to this item is incorporated by reference from the section entitled "Executive Compensation" contained in the proxy statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information responsive to this item is incorporated by reference from the section entitled "Security Ownership of Certain Beneficial Owners and Management" contained in the proxy statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information responsive to this item is incorporated by reference from the section entitled "Certain Relationships and Related Transactions" contained in the proxy statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)1. Financial Statements and Auditors' Report.

The following financial statements and auditors' report have been filed as Item 8 in Part II of this report:

Report of Independent Public Accountants

Consolidated Balance Sheets - December 31, 2000 and 1999

Consolidated Statements of Income - Years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Shareholders' Equity - Years ended December 31, 2000, 1999 and 1998

Consolidated Statements of Cash Flows - Years ended December 31, 2000, 1999 and 1998

Notes to Consolidated Financial Statements

(a)2. Financial Statement Schedules.

The following supporting financial statement schedule is filed with this report:

II- Valuation and Qualifying Accounts - Years Ended December 31, 2000, 1999 and 1998

All other schedules are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related notes.

(a)3. Exhibits.

The following exhibits are filed with or incorporated by reference into this report. The exhibits which are denominated by an asterisk (*) were previously filed as a part of, and are hereby incorporated by reference from either (i) the Form S-1 Registration Statement under the Securities Act of 1933, as filed with the Securities and Exchange Commission on July 30, 1986, Registration No. 33-7618, as amended on August 8, 1986, September 3, 1986 and September 10, 1986 ("1986 S-1"); (ii) the Annual Report on Form 10-K for the year ended December 31, 1987 ("1987 10-K"); (iii) the Annual Report on Form 10-K for the year ended December 31, 1992 ("1992 10-K"); (iv) the Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 ("6/30/94 10-Q"); (v) the Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 ("6/30/95 10-Q"); (vi) the Quarterly Report on Form 10-Q for the quarter ended September 30, 1996 (9/30/96 10-Q); (vii) the Annual Report on Form 10-K for the year ended December 31, 1996 ("1996 10-K"); or (viii) the Quarterly Report on Form 10-Q for the quarter ended June 30, 1998 ("6/30/98 10-Q").

Exhibit#	Description of Exhibit
*3.1	Amended and Restated Certificate of Incorporation of the Registrant (Exh. 3.1, 1986 S-1)
*3.1.1	Amendment to Certificate of Incorporation dated June 24, 1987 (Exh. 3.1.1, 1987 10-K)
*3.2	Amended and Restated By-Laws of the Registrant (Exh. 3.2, 1986 S-1)
*3.2.1	Amendment to Article I, Section 3 of Bylaws of Registrant (Exh. 3.2.1, 1986 S-1)
*3.2.2	Amendments to Bylaws of Registrant adopted May 7, 1987 (Exh. 3.2.2, 1987 10-K)
*3.2.3	Amendments to Bylaws of Registrant adopted January 4, 1993 (Exh. 3.2.3, 1992 10-K)
*4.1	Specimen Stock Certificate (Exh. 4.1, 1986 S-1)
*4.2	Loan Agreement dated July 26, 1994 among First Tennessee Bank National Association, Registrant and P.A.M. Transport, Inc. together with Promissory Note (Exh. 4.1, 6/30/94 10-Q)
*4.2.1	Security Agreement dated July 26, 1994 between First Tennessee Bank National Association and P.A.M. Transport, Inc.(Exh. 4.2, 6/30/94 10-Q)
*4.3	First Amendment to Loan Agreement date June 27, 1995 by and among P.A.M. Transport, Inc., First Tennessee Bank National Association and P.A.M. Transportation Services, Inc., together with Promissory Note in the principal amount of $2,500,000 (Exh. 4.1.1, 6/30/95 10-Q)
*4.3.1	First Amendment to Security Agreement dated June 28, 1995 by and between P.A.M. Transport, Inc. and First Tennessee Bank National Association (Exh. 4.2.2, 6/30/95 10-Q)
*4.3.2	Security Agreement dated June 27, 1995 by and between Choctaw Express, Inc. and First Tennessee Bank National Association (Exh. 4.1.3, 6/30/95 10-Q)
*4.3.3	Guaranty Agreement of P.A.M. Transportation Services, Inc. dated June 27, 1995 in favor of First Tennessee Bank National Association respecting $10,000,000 line of credit (Exh. 4.1.4, 6/30/95 10-Q)
*4.4	Second Amendment to Loan Agreement dated July 3, 1996 by and among P.A.M. Transport, Inc., First Tennessee Bank National Association and P.A.M. Transportation Services, Inc., together with Promissory Note in the principal amount of $5,000,000 (Exh. 4.1.1, 9/30/96 10-Q)
*4.4.1	Second Amendment to Security Agreement dated July 3, 1996 by and between P.A.M. Transport, Inc. and First Tennessee National Bank Association (Exh. 4.1.2, 9/30/96 10-Q)
*4.4.2	First Amendment to Security Agreement dated July 3, 1996 by and

between Choctaw Express, Inc. and First Tennessee Bank National Association(Exh. 4.1.3, 9/30/96 10-Q)

*4.4.3 Security Agreement dated July 3, 1996 by and between Allen Freight Services, Inc. and First Tennessee Bank National Association (Exh. 4.1.4, 9/30/96 10-Q)

No other long-term debt instrument of the Registrant or its subsidiaries authorizes indebtedness exceeding 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis and the Registrant hereby undertakes to provide the Commission upon request with any long-term debt instrument not filed herewith.

*10.1 Employment Agreement between the Registrant and Robert W. Weaver dated July 1, 1998 (Exh. 10.1, 6/30/98 10-Q)

*10.2 1995 Stock Option Plan, effective June 29, 1995 (Exh. 10.6, 1996 10-K)

21.1 Subsidiaries of the Registrant

23.1 Consent of Arthur Andersen LLP

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the fourth quarter ended December 31, 2000.

SCHEDULE II

<TABLE>

P.A.M. TRANSPORTATION SERVICES, INC.
VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 2000, 1999 and 1998

<CAPTION>

Description	Balance at Beginning of Period	ADDITIONS Charged to Costs and Expenses	ADDITIONS Charged to Other Accounts (Describe)	Deductions (Describe)	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
2000 - Allowance for doubtful accounts	$655,043	--	$ 1,389	--	$656,432
1999 - Allowance for doubtful accounts	579,333	--	75,710	--	655,043
1998 - Allowance for doubtful accounts	579,333	--	--	--	579,333

</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

P.A.M. TRANSPORTATION SERVICES, INC.

Dated: March 27, 2001 By: /s/ Robert W. Weaver

ROBERT W. WEAVER
President and Chief Executive Officer
(principal executive officer)

Dated: March 27, 2001 By: /s/ Larry J. Goddard

LARRY J. GODDARD
Vice President - Finance, Chief Financial Officer, Secretary and Treasurer (principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

P.A.M. TRANSPORTATION SERVICES, INC.

Dated: March 27, 2001 By: /s/ Robert W. Weaver

ROBERT W. WEAVER
President and Chief Executive Officer,
Director

Dated: March 27, 2001 By: /s/ Matthew T. Moroun

MATTHEW T. MOROUN, Director

Dated: March 27, 2001 By: /s/ Daniel C. Sullivan

DANIEL C. SULLIVAN, Director

Dated: March 27, 2001 By: /s/ Charles F. Wilkins

CHARLES F. WILKINS, Director

Dated: March 27, 2001 By: /s/ Frederick P. Calderone

FREDERICK P. CALDERONE, Director

EXHIBIT INDEX

Exhibit No.	Description
21.1	Subsidiaries of the Registrant
23.1	Consent of Arthur Anderson LLP

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