



Diamond Transportation System, Inc.

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Second Quarter 2007

The Diamond Dust

THE END OF AN ERA: JOSTAD RETIRES

How does someone work for the same company for more than 34 years?

Why stay with the same company? What makes them stay? What makes a successful Owner-Operator? Why have we not seen Phil Jostad broke down on the side of the road?

On March 31, 2007, Phil Jostad retired. He retired as a Full Time, Long Haul, Over the Road Owner-Operator, having worked for Diamond for nearly 35 years.

I thought it would be interesting for all of us to understand his answers to the above questions, so I spent some time with Phil and it was very enlightening. Keep in mind that Phil is a soft-spoken individual, but he does have a mind of his own and does not hesitate to say something when it needs to be said.

I also will give you a few comments from Terry Peaslee, his Fleet Manager for many years.

Q: Phil, what brought you to Diamond 35 years ago?

A: "I was working as a driver for Howard McCain (also a retired Owner-Operator) hauling meat and thought it might be a good idea to get into the Flatbed/Stepdeck business and thought Diamond might be the place to

start. I started as a driver for Howard McCain from Nov. 1, 1972 until I bought my own Mack in 1984 when I became an Owner-Operator."

Q: Over the years why did you stay when you hear others going to other companies?

A: "I heard talk about the grass always sounds greener, but it isn't really."

Q: What is it about Diamond that kept you here for 35 years?

A: "I knew if I worked hard I would earn a good living. Honesty in my dealings with Diamond was one of the main reasons I have stayed. I never felt Terry Peaslee would lie to me, nor would I lie to him and that created a good relationship."

Q: What do you feel makes a successful Owner-Operator in today's world?

A: "Patience and not being in a hurry as it doesn't work. Not starting out financially tight, don't be behind on payments and be a businessman and watch the money. Always felt that chrome is not going to make the truck any more money so I didn't waste my time on those things."

Q: What are your thoughts on equipment maintenance and has it assisted you from major breakdowns?

Continued Page 2



Co-owner Buck Jenkins with Phil Jostad

Inside this issue:

Customer News	2
Agent News	2
Drive Safe	3
News and Notes	3
Dispatch Perspective	3
Recruiting Corner	4
Employee News	4

NO TICKETS!!!

Phil drove for 35 years and never had a citation. Driving for Phil was challenging as it is for all of you, but he took his concerns for safety to heart and drove defensively!

Owner-Operators of the Month - Hayden, Jostad and Morgan

As 2007 starts we would like to announce the Owner-Operators of the Month for January, February and March.

January came and went, but not without congratulating **Steve Hayden** on his second turn at being Owner-Operator for the month. At the time, Steve was waiting for his new grand-daughter. In February, Hayden Grace Capps was born and now has a very proud grandpa. Steve has been part of the Diamond team since November 2005.

He earned his first Owner-Operator of the Month award in June 2006. At the time, Steve said he earned the honor by "doing whatever it takes to get the job done right."

When not on the road, Steve likes to camp and fish on the lakes of South Carolina.

Steve has two grown children, Ashley and James, and has been married to Paula for 30 years.

Phil Jostad, who had been with Diamond Transportation since 1972,

was the Owner-Operator for the Month in February. Phil retired at the end of March after almost 35 years with Diamond.

Phil has three children, eight grandchildren, and two great-grandchildren. He will look forward to being able to spend more time with his family.

Phil also enjoys woodworking and gardening.

The Owner-Operator of the Month for March was **Claude "Captain" Morgan**. Claude has been with Diamond since December 2006. He and his wife, Tammy, have four children: Yasmin, Sebastian, Aissa and Megan. They live in Georgetown, IL., which is on the eastern edge of the state, about 100 miles west of Indianapolis, In.

When not on the road, Claude enjoys fishing, riding ATVs, and spending time with his family. Being a safe and conscientious driver earned Claude this award, his first with Diamond. If you

see Claude out on the road, make sure to stop and congratulate the "Captain of Safety."



Hayden



Morgan

CUSTOMERS AND AGENTS

FREIGHT ON THE RISE

As we talked about in our previous newsletter, we were seeing a pronounced upswing in specialized freight. The entire specialized segment had been experiencing quite severe sluggishness for the last nine months of 2006.

Beginning in late January we have seen a steady increase in freight from most regions and from the majority of our shippers. Not all regions have increased alike, and some areas have actually produced an overabundance of traffic (no complaints though).

As freight has improved, it has become critical that we keep up from a service standpoint: full utilization of hours, excellent communication, and efficient use of day-loads.



While these are typically operational items, I am taking an extra opportunity to mention them as they have a direct impact on customer service and sales.

In addition to retaining business through excellent customer service, we also have the opportunity to gain additional business. With freight picking up substantially, this is obviously the time to excel in both areas. On behalf of the Sales group, we thank you for your hard work and concern for our customer's service needs.

GRAND ISLAND, NE. ALIVE AND WELL

Diamond has seen a substantial increase in business from Case New Holland in Grand Island during the first three months of the year. We have served CNH at this location for many years and over time business has cycled up and down as it does with most shippers.

We are seeing what we hope to be a lengthy upturn in the shipment of combines. In addition, this facility is expanding and will begin shipping implement loads later this year.

- Pat McLeod, V.P., Sales and Marketing

DIAMOND AGENTS GOING STRONG

Diamond is very proud of our agent base and we are pleased to see an upturn in their business also. As with all customers, it is critical that we give excellent service on all agent loads. Agents are basically independent salespeople who sign an agreement with a carrier similar to an owner operator. The customers they bring to us are very important to them and as employees and owner operators of Diamond, we have an obligation to do our best to take care of them. Like all of us, an agent's livelihood is based on how well the customer is taken care of. We all rely on each other to make this business work. We thank our agents for the commitment they have made to Diamond and want them to know that we are working hard to help them grow with their customers.

ADDITION TO TRAILER FLEET

Diamond Transportation recently purchased a 3-axle, 52-ton capacity RGN trailer. This is the first purchase of this type of heavy haul trailer and with it in the system, we will determine when we will acquire addition such units.

The trailer has been useful in obtaining additional traffic from a few existing customers, and as new customers become aware of our availability to this type of equipment, the desire may be there to increase the number of units we have. The trailer is a little higher than the standard RGN due to its beams, but overall, it is a great addition to our fleet of equipment.

- Paul Martinson, President

TOP AGENTS

January-March

1. Rick & Rich (WA)



2. Laurel (PA)
3. Larry & Mark (GA)
4. Wayne (NC)
5. Frank & Don (GA)



JOSTAD RETIRES AFTER THREE DECADES continued

A: "I have always felt that if there was something wrong, get it fixed as soon as you can and try to get it done at the local shop rather than on the road if possible. Always have the preventative maintenance done at the local shop, as they will be concerned about other problems that they may see on the truck rather than a shop you go to once."

Q: How many trucks have you had since coming to Diamond and how many miles on your current 1997 year Mack?



A: "I have over 1,100,000 miles on this truck and I bought it new in November 1996. I have had 3 other Mack trucks before this one."

Here's what Terry Pealsee had to say about Phil:

"Professional, conscientious of customers, always on time and it is too bad we can't clone him as he would be a good model to have for all Owner-Operators. I was his Fleet Manager for the past 14 years Phil was here and enjoyed working with him and will miss not talking with him as much in the future."

Driving for Phil was challenging as it is for all of you. Phil took his concerns for safety to heart and drove defensively throughout his career. We all can, it just takes patience. Phil lost his wife this past year and we all felt his sorrow at that time. Now as his life moves on, we wish him well and hope that his semi-retirement years (nobody retires) are enjoyed to the fullest and that he will be able to spend time with his family.

It was great having Phil on our team and hope that he is every bit as successful in retirement.

- Paul Martinson, President

SAFETY & COMPLIANCE

HIGH RISKS EQUALS LOW REWARDS ON ROADWAY

While our overall accident record keeps improving with each passing year, there are still many areas we can and must improve on.

Over the past 2 years our most costly accidents were rear-end collisions. Our highest number of accidents came from cut-in-out sideswipe collisions.

These types of accidents can be avoided with just some extra caution on your part. Adhering to our following distance policy along with the installation of fender mirrors and improved driver behaviors can all play a part in the elimination of these types of accidents.

There are four driving behaviors that directly impact and significantly increase the risk of a crash:

Speeding: Driving at inappropriate speeds was associated with nearly tripling the odds of being involved in a crash or near-crash, relative to driving at appropriate speeds.

Driving while drowsy: Driving while drowsy was also associated with nearly tripling the odds of being involved in a crash or near crash, relative to driving while not drowsy.

Aggressive driving: The odds of a crash or near-crash more than doubled when a driver was exhibiting aggressive driving behaviors.

Taking your eyes off the road for more than two seconds: When a driver's eyes were off the forward roadway for greater than two seconds, the odds of a

crash or near-crash occurring were nearly double those when the driver was paying attention to the forward roadway.

High-risk driver's were less likely to wear a safety belt and more likely to drive while drowsy than low-risk drivers. High-risk driver's average rate of crashes, near-crashes and incidents (219.5 per 10,000 miles driven) was more than 100 times that of the low-risk drivers (2.1 crashes per 10,000 miles driven).

- Diane Dahse, Safety Director

Degree of Increased Risk Associated with Driving Behaviors	
Behavior	Increased Odds of Crash
Speeding	2.9
Driving While Drowsy	2.9
Aggressive Driving	2.1
Eyes Off Road	1.9

Source: AAA Foundation for Traffic Safety

News and Notes

VIRGINIA: The new statewide toll violation-enforcement system now is working. After extensive testing, the Virginia Department of Transportation's new system will allow Smart Tag/E-ZPass users through the tolls faster; tollbooth gates no longer are needed in electronic toll lanes except for safety reasons.

The bad news: Cameras are taking photos of toll violators.

IOWA: The Iowa Department of Transportation released a report earlier this month that proposes raising several taxes and fees to offset an anticipated \$27.7 billion shortfall in the next two decades. The report suggests raising taxes to generate at least an extra \$200 million annually for road construction. This would be the equivalent of about a 9 cent-per-gallon increase in gasoline and diesel fuel taxes.

KANSAS: State officials have announced a proposal to fund the hundreds of millions of dollars in repairs to public university structures.

This surcharge, to be funded from higher tolls on Turnpike customers, would for the first time in its history, break faith with the user-fee concept that has been part of the legal tradition of the Kansas Turnpike throughout its 50-year history, officials said.

THE DISPATCH PERSPECTIVE

PORT TRAFFIC UP, SO IS SECURITY—Most of you have loaded or delivered to a port by now and are well aware of all the 'fun' to be had. Well don't look now but it is only going to get better.

We were recently called to a meeting at the port of Baltimore for CNH. And although the meeting was primarily for discussion on service issues, there were a number of security and safety issues that were brought back to light.

Some of you have already signed one waiver that allows us to sign you up for the eModal access. This covers some security measures for the ports of Baltimore, Long Beach, Los Angeles, Seattle and Oakland.

Registration happens to be free for this one but it will not be the case for the Transportation Worker Identification Credential (TWIC) Program. We have yet to be notified of a date when the TWIC program will go into effect, but estimates

have this cost at around \$150 per issuance.

Please keep your eyes and ears open for any information you find on this matter and relay it to me as soon as possible. Any help will allow us to make sure that we are compliant.

CNH Baltimore—Please adhere to the following rules when handling CNH freight at any port.

- Make sure you pick up all original paperwork out of the CNH mailbox. At MAT the mailbox is located just inside the foyer of the driver's entrance.
- Always ask for full service. Don't load anything on your own without approval from Diamond.
- Make sure you initial the OD stamp on the shipper's load confirmation form.
- All tire appointments must be made 24 hours in advance. Make sure of this to avoid additional delays.

- Jon Coca, Vice President, Operations



Aerial view of the Dundalk Marine Terminal

THE BACK PAGE

Recruiting Corner: Let's Get Healthy

Recently I was in Louisville, KY for the Mid-America Truck Show.

As I wandered through the exhibits, looking at all the different things displayed, there was one booth that truly caught my interest.

Ramp Publishing is one of the publishing companies that we advertise with, and they were having a special promotion for drivers. It is called Healthy Trucking. They have been doing studies regarding high blood pressure, diabetes, sleep apnea and a number of other things that could lead to an unhealthy driver.

I have decided to join in their crusade. I am going to dedicate time to make sure that each and everyone of you are being a little more conscious about your health, and my own.

As part of this program, I will be having a physical and tracking my



Alyse Mireles, healthy?

blood pressure and my weight right along with all of you. I believe I can't tell all of you "get healthier" while I just sit here behind a desk adding to my own "Oversize Load."

Ramp has provided us with a supply of audio CDs on high blood pressure. We will be happy to give you one when you stop in and visit us in the recruiting department.

The CD has several professional drivers sharing their stories about managing high blood pressure. If left untreated, high blood pressure can lead to more serious problems. You should have it checked regularly.

- Alyse Mireles, Recruiting and Orientation Director



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Simply send your email address to webmaster@diamondtrans.net with the subject "Diamond Dust." We will then send you our newsletter in Adobe Acrobat format.

ALYSE'S TALE OF THE TAPE

START DATE: March 1, 2007
BLOOD PRESSURE: 110/90

Employee Anniversaries

- Paul Martinson—35 yrs. April
- Tony Sharpe—17 yrs. April
- Kathy Kerl—21 yrs. May
- Judy Gregory—21 yrs. May
- Pat McLeod—16 yrs. May
- Diane Dahse—14 yrs. May
- Penny Wisely—6 yrs. June

Owner Operator Anniversaries

- Ralph Ashley—2 yr. April
- Harry Butzer—24 yrs. May
- Gerry Christensen—9 yrs. April
- Billie Cleary—2 yr. April
- John W. Doyle III—16 yrs. June
- Rex Foreman—25 yrs. April
- Scott Tolbert—2 yr. April
- Cliff VanTassel—2 yr. April
- Don Welker—8 yrs. April
- Gus Widmer—6 yrs. May
- Tom Norris—1 yr. May
- Robert Williams—1 yr. May
- Carl Tuttle—1 yr. May
- Mike Best—1 yr. May
- Allen Barnette—1 yr. June
- Oliver Smith, Sr.—1 yr. June

Employee News & Anniversaries

SNYDER RETIRES

Gary Snyder, one of the more versatile employees Diamond Transportation System Inc. has ever had, rode off into the sunset at the end of 2006.

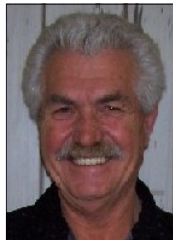
Gary served Diamond for 29 years as a dispatcher, recruiter, and orientation manager before his retirement December 31, 2006.

Fellow employees remembered Gary as the worker who married a Diamond secretary, Barbara Feil. Barb was a true baseball fan, and prior to Barb's death, Gary had taken her to almost every major league baseball park.

Another worker recalled how Gary had an encyclopedic knowledge of the leased trucks in Diamond's fleet. "He could tell me everything about every truck," Carolina Hentschel said. "Who drove it when and where."

Gary liked to travel. He made many visits to Pennsylvania to see relatives. He also saw one of his dreams come true when he traveled to California and played golf at Pebble Beach Golf Course.

Before retiring, Gary bought a Harley Davidson motorcycle. He loved riding his "hog" to work, wearing a black leather jacket and boots. He's out there, enjoying the open road, fresh air, and his retirement.



Gary Snyder

REYNOLDS PASSES ON

Friday April 6 will go down as a sad day for Diamond. That is the day we learned that *Lee Reynolds* passed away.

Many of you will remember Lee as our operations manager for many years and he moved into sales after that. During his years here many of you came to recognize Lee as a kind and knowledgeable individual.

While he retired a couple of years ago, we stayed in touch with him and his family throughout his retirement. Lee and his wife moved to Pinckneyville, IL where he lived until his passing.

This was a sad day for the Reynolds family and those of us who knew Lee as well. He will be sadly missed.

Family has requested donations be made to Pinckneyville Hospital Hospice, 101 Walnut Street Pinckneyville, IL 62274.

New Owner Operators

- Erica Bag
- Charles Menominee
- Stephen Cooks
- Paul Eddlemon
- Francis Hopkins
- Matthew Mellish
- Keith Remlinger
- Dominick Simione, Jr.
- James Trentadue
- John Berscheid
- Fred Riggs
- Ronnie Haug
- James Kemp, Sr.