



Diamond Transportation System, Inc.

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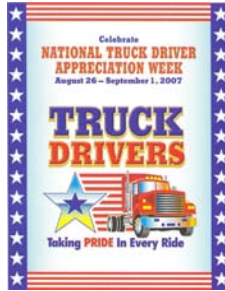
Third Quarter 2007

The Diamond Dust

Gearing Up for Driver Appreciation

Driver Appreciation Week starts nationwide Aug. 26. We have some fun in store for those of you who can get through the Racine office or through Bettendorf. We plan to have snacks throughout the week and some games and prizes.

If you don't make it through either place, your name will still go into any drawings that we have. We are going to be choosing one name each day for a gift certificate for \$50 towards any piece of equipment. We would love to see all of you be able to partake in this event but remember that if you cannot come by we will make sure you are entered in all events.



We also will be sending out tokens of appreciation to everyone for all your hard work and dedication. We appreciate you for the many hours you spend on the road away from your families; for maintaining a proven record of consistent on-time pickups and deliveries; for taking pride in handling our customers' merchandise; for the long hours spent waiting at docks and truck stops; for extending courtesy to others on the road and obeying the laws on the highway; and for keeping your wheels moving in the worst of conditions: through heat, cold, rain, snow, fog, wind, and mountains. For that, all of us thank all of you.

- Alyse Mireles, Recruiting Director

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FEDERAL APPEALS COURT RULES ON HOURS-OF-SERVICE REGULATIONS

The 11-hour daily drive time and 34-hour restart H-O-S regulations will stay in place for now, the [U.S. Court of Appeals](#) has ruled.

The court chose to vacate the HOS regulations issued in August 2005, leaving the rest of the current rule in place. The court's decision will not become effective for at least 52 days, which means that the 11-hour limit and 34-hour restart stay in place for now.

The court concluded that FMCSA violated the Administrative Procedure Act because it failed to give interested parties an opportunity to comment on the methodology of the crash-risk model that the agency used to justify an increase in the maximum number of daily and weekly hours that truck drivers may drive and work.

The court also found that the agency failed to explain critical elements of the methodology. By court rule, FMCSA has 45 days to petition for reconsideration. After that time and within seven days, the court's mandate will stand. In addition to possibly seeking reconsideration, which is seldom granted, the parties involved can seek a stay of the mandate to keep the current provisions in place pending the remand and further agency action.

American Trucking Associations plans to seek a stay from the court that would allow the 11-hour daily drive time and 34-hour restart to remain in place until the agency can re-evaluate these regulations.

-Truckload Carriers Association

Owner Operators of the Month—White, Perry & White

As summer and mid-year arrives, Diamond salutes the three drivers named Owner Operator of the Month for April, May and June 2007.

The Owner Operator of the Month for April is Mike White. Mike has been with Diamond for 16 years, and has been a safe and conscientious driver. This is the second time he has won the award.

When at home, Mike spends time with his wife, Carol Ann. He also visits his son, Shaun, and his granddaughter Brenny Mylynn, who is 3 years old. Working on the truck keeps Mike pretty busy,



M. White

but when he has some free time he likes to be in the mud pits with the four-wheeler, something he and his son like to do together.

The Owner Operator of the Month for May was veteran Ron Perry. Ron has been with Diamond since October 2001. He and his wife, Ruby, live in Lincoln, NE. When Ron is home, he and Ruby stay busy by visiting his mom and taking her out to lunch.

They also have five children, 10 grandchildren, and three great grandchildren to keep them on their toes.

The Owner Operator of the Month for June was a familiar face: Jay "The



Perry

Bird" White. Though Jay left us to run closer to home for a while, this is the third time he has been recognized as owner operator of the month in two years with Diamond. Jay lives in Illinois with his wife, Sharon. They have three grown children and six grandchildren with the seventh on the way in December.

In his spare time Jay loves to golf. He would love to play with Terry, his fleet manager, but he thinks Terry may be scared to lose. He says "the gauntlet is down and the challenge is out there".

Diamond congratulates all three owner operators for jobs well done.



J. White

CUSTOMERS AND AGENTS

SHIPPER NEWS: Plan Your Arrival!

While you are moving about the country, Diamond's group of customer service representatives are working with our customers and agents and other sources to set up your next load of freight.

As most of you know, we have the country broken down into three major territories, specific areas assigned to each of the CSRs. They look specifically at the trucks coming into their territory to keep you loaded as they work closely with our customers and agents to build our base of traffic.

While you may not always get a load as soon as you are empty, it is not for lack of planning and effort. Some regions are tougher than others and of course the season of the year, economy and competition can have an effect on load availability.

Proper planning takes great coordination between all parties.

The accurate information on estimated times of arrival and updates along the way provide an alert to the CSR to changes taking place. The CSRs, of course, must use this information when pre-assigning your next load.

As you can see, this is a group effort with owner operators, fleet managers and the customer service representatives all playing key roles in having you reach your desired earnings.

It all begins with the owner operators planning an effective route and giving the fleet manager a reasonable ETA at the delivery.

- Patrick J. McLeod, VP, Sales & Marketing

TOP-FIVE AGENTS APRIL-JUNE

1. Rick Newton
2. Frank Lantrip
3. Steve Christenson
4. Tom Cucciare
5. Larry Meeks

Diamond congratulates all of our agents! Our agents are considered a large part of our sales force and customer base. Remember commission invoices are due on Tuesday for Thursday payment.

FUEL: COSTS, MILEAGE, SURCHARGE, SAVINGS

One is a cost to you but two of them can create a savings on your pocketbook.

When you look at fuel costs, you need to be aware that the fuel surcharge can become very beneficial in relation to the fuel you are purchasing.

When the fuel surcharge was implemented, fuel was averaging approximately \$1.20 per mile. As of July 3, 2007, the national average was \$2.83. After discounts that you receive, the average cost for a gallon of fuel ends up being approximately \$2.73.

The fuel surcharge is averaging approximately 34 cents per mile which, when averaging a 15% empty factor, amounts to 29.6 cents for all miles traveled.

At five miles per gallon, the fuel surcharge will compensate you \$1.48 per gallon of fuel leaving you to paying \$1.25 per gallon, or a

cost of 25 cents per mile.

At six miles per gallon, the fuel surcharge will compensate you \$1.78 per gallon of fuel leaving you with paying 95 cents per gallon or a cost of 16 cents per mile

At seven miles per gallon, the fuel surcharge will compensate you \$2.07 per gallon of fuel leaving you with paying 66 cents per gallon or a cost of ten cents per mile

Your fuel mileage directly affects your fuel costs. Increasing your fuel mileage is the key. Your fuel average changes as your speed reduces. If you are traveling at 70 miles per hour, your miles per gallon will increase by 1 mile per gallon versus running at 60 miles per hour. If you average 5.5 miles per gallon, you probably increase it to 6.5 miles per gallon

with slower, more reasonable, driving habits. Slower speeds and cruise control are ways to increasing fuel economy.



Do you think increasing your fuel mileage is worthwhile? Based on these figures, and running approximately 110,000 miles annually, you will realize a savings by increasing from five to six miles per gallon or \$9,900.00 Not too shabby a savings.

Even if you were able to obtain a half-mile per gallon increase you would realize close to a \$5,000 savings.

Is it worth it? Can you adapt your schedule and your driving habits? I think so. Try it for a couple of months and see what you save in fuel costs. It will be unbelievable.

- Paul Martinson, President

Photo Opportunities!

Wanted: Good-looking, clean, shiny, truck pictures.

Recruiting is seeking photos of Diamond-leased trucks with loaded trailers for use in advertisements. If you have a clean machine, trailer and interesting load, feel free to snap a few pictures and send them to the office. Your tractor could become the star of the show!

Below is a picture from Russ Sparks (Sparky-50100) with a Terex dump truck, who takes pictures on his camera phone and sends them in via MMS.



For more information, please contact Alyse or Mark in recruiting. 1-800-927-5702.

Don't Make Tarping A Dirty Word!

If there are four letter words in the trucking business, one of the biggest has to be tarp. While only about seven percent of Diamond's freight requires tarping, being prepared with good tarps can make the difference in getting a great load versus no load or a not so good paying load. In addition, we have healthy tarp charges (\$100-\$300) which are paid 100 percent to our owner operators.

Diamond provides a top-of-the-line specialized service and many customers who utilize specialized carriers ship freight which at times needs protection. While sometimes we assume that a tarp load means hours of work, aggravation and torn equipment, many loads are simply crates or other packaged items which need only a top tarp or a simple tarp job.

Also, some customers will assist with getting the tarps draped over the load. I have been in the specialized industry for over 26 years and while none of us jump for joy when it comes up, owner operators who want to help guarantee success keep a good set of tarps with them at all times and are prepared to use them. -Patrick J. McLeod, VP, Sales & Marketing

SAFETY AND COMPLIANCE

STAY PREPARED

FIGHTING FATIGUE

Fatigue can play a major role in accidents, experts say.

Here are some warning signs that fatigue might be setting in: Constant yawning; blurred vision or sore or heavy eyes; difficulty keeping your head up or eyes open; poor concentration; variations in driving speed; letting your vehicle drift out of lanes; difficulty remembering the last few miles or the last 15 minutes; becoming impatient or making rash decisions; poor gear changing.

PROPER TIRES

Trucks can lose tire pressure during any month of the year, but the summer months can be especially brutal to your wheels. Tire pressure usually drops between one and two percent in fair weather, but hot temperatures can mean even bigger drops. Tire pressure should be checked when the tire is "cold." Let your tires cool for a couple hours before checking. Make sure to check your tire gauge for accuracy. If it is off, repair or replace it. All tires should be checked, not just the ones most accessible. Don't neglect the inside duals or the trailer tires. Use care when removing caps. With the cap removed, the tire is vulnerable to dirt in the valve and damage to the seal.

Average Crash Costs More than \$90,000

The Federal Motor Carrier Safety Administration has published a report on the latest estimates of unit costs for highway crashes involving medium- and heavy-duty trucks. Based on the latest data available, the estimated cost of police-reported crashes involving trucks with a gross weight rating of more than 10,000 pounds averaged \$91,112 (in 2005 dollars). Crashes in which truck-tractors with two or three trailers were involved were the rarest, but their cost was the highest -- \$289,549 per crash. The costs per nonfatal injury crash averaged \$195,258, and fatal crashes cost more than any other crashes -- at \$3,604,518 per crash. Safety analysts use crash cost data for a variety of purposes, from analyzing the effectiveness of a particular roadway enhancement to measuring the impact of seatbelt use. Crash costs also are used to calculate and compare the cost-effectiveness of proposed safety regulations.

The study was compiled by the Pacific Institute of Research and Evaluation (PIRE), which examines crash costs.

HIGHWAY-RAIL GRADE CROSSINGS: 7 STEPS FOR SAFETY

1. **Approach with care.** Warn others that you are slowing down. Turn on 4-way flashers. Use pullout lane if available.

2. **Prepare to Stop.** Turn off fans and radio and roll down windows. Locate your cell phone for use in emergency. Stop at least 15 feet, but not more than 50 feet, from nearest rail.

3. **Look and listen both ways, carefully.** Bend forward to see around mirrors and A-pillars.

4. **If it won't fit, don't commit.** Trains extend beyond the width of the rails at least 3 feet on each side. Remember your vehicle -- and cargo -- overhang.

5. **Look again.** Before you move, look again in both directions.

6. **Cross tracks with care.** Signal, watch for a safe gap, pull back onto the road if you used a pullout lane. Use highest gear that will let you cross without shifting.

7. **Keep going once you start, even if lights start to flash or gates come down.**

- Diane Dahse, Safety Director & Continental Owner Operators, Ltd.

WHAT TO DO IF YOUR VEHICLE STALLS OR HANGS UP ON THE TRACKS

• **GET OUT IMMEDIATELY.** Evacuate your vehicle. (Trains traveling at 60 mph may take a mile or more to stop.)

• **Move away.** Walk toward the oncoming train, and away from the tracks at a 45-degree angle. (If your vehicle is hit, debris will spread out from the tracks in the same direction the train is moving.)

• **Locate the emergency phone number.** When you safely away from the tracks find the railroad's emergency phone and phone number and the DOT crossing identification number posted near the crossing.

• **Call for help!** Call the railroad's emergency phone number, the local police, or 911. Tell them a vehicle is on the tracks. Provide the location, crossing number (if posted), and the name of the road or highway that crosses the tracks.

THE DISPATCH PERSPECTIVE

WHERE ARE YOU? - On any given day the question "where is that driver" comes up dozens of times. The reason: customers want to know where their freight is...and can you blame them?

I know when I ordered that \$19.95 collectors edition of Caddyshack from Amazon. COM I checked the tracking number daily so I could tell exactly where it was and when I was going to get it. Diamond is hauling \$100,000+ machines on a regular basis, why wouldn't those customers want the same visibility?

Diamond is currently looking at several tracking devices and solutions to help with

this issue. We have looked at both in-cab and trailer tracking solutions.

One such device is by a company called iTrak. It is currently hooked up to one of our RGN trailers and early in this testing process we are having good success with it. We can follow a load and trailer on a

map right down to the correct mile-marker.

This ability to monitor loads and track progress gives an added value to existing customers and will open doors to many new customers.

This tracking along with an integration into our dispatch software allows us to electronically transmit shipment status to our customers seamlessly.

With increased service standards (and that is what we all do—provide a service) it will only be a matter of time before we are required to provide this type of data to all customers.

In the meantime our tracking is reliant on phones—your cell phones, our 800 number, check calls and exception calls.

We need those check calls. The check calls are to be made by 10 am daily. If you are in an area without or with limited cell phone service get on a land line and make that call. We still have the 800 number for that exact reason.

It is also vital that you call us immediately if some sort of exception to your anticipated time of arrival for pickup or delivery occurs. We can avoid many conflicts by simply having timely notice that a problem has occurred.

Check calls and exception calls are also important to keeping our owner operators pre-assigned and rolling down the highway.

- Jon Coca, Vice President—operations

THE BACK PAGE

Recruiting Corner: Health Update

As you read in last quarter's Diamond Dust, I was determined to join in and get us all healthy. I put myself out there as the guinea pig to be weighed in the office each week and track the percentage of loss. Unfortunately I have had to take a break from this, to focus on my own new illness. I had a great start and had lost three percent in the first month, and then became sick. As many of you know, I have been to numerous doctors in the area to see why I am still having what they are calling mini strokes

(episodes is what we call them at home). This has been going on since April 25, and I will be going to Mayo Clinic in Rochester, Minn., July 26. I would like to thank all of the many owner operators that have asked about my health, have sent cards, thoughts and prayers my way. My "family" here at Diamond has been outstanding and very helpful to me and my family. I will be happy to return, hopefully some solid answers. I will hope that by the next Diamond Dust I will be back on track to getting healthy,

and I hope you all will continue to drive towards being healthier - do it for yourself!

- Alyse Mireles, Recruiting and Orientation Director

TRACKING ALYSE

DATE: March 1, 2007

BLOOD PRESSURE: 110/90

DATE: July 1, 2007

BLOOD PRESSURE: 105/82



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Would You Like This Newsletter by Email

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.

LOOK FOR NEW DISCOUNT FUEL PROGRAM AT PILOT

In an effort to keep your fuel costs as low as possible, Diamond has recently negotiated a discount fuel program with Pilot Travel Centers.

At our current levels, you will get a 2-cent per gallon discount and zero transaction fees at the more than 300 Pilot Travel Centers. The 2-cent discount will not be shown on the receipt, but will be adjusted in the charge that comes through on your weekly settle-

ment. If the fleet purchase volume increases, the discount could increase to 2½ cents and then to 3 cents.

Cash advances are also free

as long as you purchase 50 gallons of fuel. This would be in addition to the \$75 available on the fuel side of the card. This would include com-checks written or advances taken at the fuel desk. A flyer was sent out in July with your settlement statements highlighting



the key points of this program such as their rewards card, free showers, free parking, and other amenities.

The Pilot program is one of several fuel discount programs that Diamond has. We have programs with T/As, Ambest, Love's and Petro. If you have questions about any of these programs, please feel free to contact Alyse or Mark in recruiting.

- Chad Thur, Controller

Employee News & Anniversaries

John Marr Retires; Andy Talandis New IA Terminal Manager

This past March, John Marr, our Bettendorf terminal manager retired. His combined work as an owner operator and terminal manager gave John over 20 years of loyal service to Diamond.

John enjoyed his time with Diamond, in fact he liked it so much it has been tough to keep him away from the terminal. He's been very helpful in our transition from old to new managers.

Our Iowa secretary, Penny Wisely says, "I still hear from him, too often...just kidding." He seems to check up on us every so often.

John is enjoying himself. He is keeping up with his gardening, picking berries, doing yard work for himself (and his mother), keeping up with the timber he owns and his house.

John has said he missed Diamond, as we all miss him—Diamond wishes him luck.

Diamond's new terminal manager is Andy Talandis. Andy is 48-years-old and has been in trucking for 30 years, some of which include owning his own 30 truck company. He is set on staying in the industry until his retirement.

Andy makes his home in East Moline, is married to Cindy, has four daughters (Natasha, Keara, Nichole & Riley) and a son (Donnie). The oldest is 30 and the youngest is four. Andy also has three grandchildren with another on the way.

He and his family enjoy camping and BBQ's, but Andy really enjoys golfing and tries to play as often as possible.

"I am truly enjoying working for Diamond and hope to have a long career here," says Andy.

Early returns show that he will. The next time you stop into Bettendorf, say hello and welcome him to the Diamond team.

New Owner Operators

- Kale Anderson
- Roger Creekmore
- James Hoffman
- Scott Moody
- Richard Short
- Michael Smith
- Cindy Thur
- Chris Von Driska
- James H. White

Employee Anniversaries

- Rebecca Beck—21 yrs. July
- Judy Hanlon—2 yrs. July
- Chad Thur—4 yrs. July
- Debbie Petkus—5 yrs. August
- Tim Wolf—6 yrs. September

Owner Operator Anniversaries

- John Doyle—17 yrs. June
- Mike White—16 yrs. August
- Charles Burton—14 yrs. July
- Paul Schneider—8 yrs. July
- Brian Garbes—6 yrs. July
- Brian Egeness—6 yrs. August
- Charles North—6 yrs. August
- David Dake—4 yrs. July
- Larry Cavanaugh—3 yrs. August
- Aaron Ferguson-1 yr. August