



Diamond Transportation System, Inc.

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First Quarter 2007

The Diamond Dust

Skillingstad Owner Operator of 2006

Inside this issue:

Shipper News	2
Sales team changes	2
Drive Safe	3
News and Notes	3
Dispatch Perspective	3
Recruiting Corner	4
Employee News	4

Owner Operator Casey Skillingstad believes there is no one better in the trucking business than Diamond Transportation System Inc. Well, Diamond feels the same way about Skillingstad. Casey, who has been with Diamond for 10 years, has been named Owner Operator of the Year for 2006. Casey has received numerous awards at Diamond for being a safe and conscientious owner operator. He has been named Owner Operator of the Month five times, and has won the Top Gun award for safety, six times.



Casey Skillingstad

Casey has four children: Greg, 26, who recently returned from duty in Iraq; Jason, 26; Shane, 15; and Cairene, who is 29. Cairene's 3-year-old son Morris - whom Casey calls Mo - has made Casey the proudest grandfather around. Mo helps Casey with the remodeling and carpentry projects he does when he is at home. Casey thanked everyone at Diamond for helping him win the 2006 award. "Diamond is as good as it gets in the industry," he said. Everyone at Diamond congratulates Casey for his hard work and dedication.

Fuel Advance Changes on the Way for Comdata Cards

After several months of research and feedback from within the company and in the industry, a decision has been made to switch to a "limit based" fuel card beginning on March 1, 2007.



This switch will provide many positive benefits to our owner operators and our office. The card will remain with Comdata and will not require issuing new cards. The main reason for this change is to make the advance process more efficient. Owner operators will no longer need to talk to fleet managers every time they need a fuel advance. This will free up time for the owner

operator and the fleet manager. The fleet will be set to a certain limit per day and/or per week based on dollars or gallons of fuel. The limit has yet to be determined. This change will eliminate any problems with not having fuel to finish a load or to get to the next load. Record keeping for the owner operators is another advantage of this change. Each fuel transaction will be shown as a separate charge on the settlement statement instead of lump sums which will allow matching of receipts with deductions. It will also eliminate the

need to send in receipts for fuel purchases made with the Comdata card. Any fuel receipts where the card is not used will still need to be sent in. The new system will eliminate unnecessary work in the office, and will allow fleet managers more time to keep you running. A more in-depth explanation will follow in a letter to be sent out in a settlement statement in the next couple of weeks. If you have any questions about this new card, please ask. We want to make sure everyone understands the new system before implementation.

- Chad Thur, Business Office

Owner Operators of the Month for July—December 2006

Congratulations to those drivers named Owner Operators of the Month for the last half of 2006: July—Phil Jostad, August—Robert Key, September—Jeremiah Meza, October—Rex Foreman, November—Van Williams and December—Tim Christensen.

All these men earned this recognition because of their dedication and experience. Here's a closer look at the six winners. **July—Phil Jostad** leased to Diamond back in 1972. Phil has been a valuable and loyal member of the Diamond family since that

time. We were all saddened to hear about the passing of Sharon in October, his wife of 28 years.

Phil has three grown children and he enjoys creating lawn and garden ornaments, which he cuts from wood and then paints. Phil is receiving the award for the third time.



Jostad



Key



Meza

August—Robert Key is from Texas. Being a big University of Texas fan, we usually see him sporting an orange "Hook 'em Horns" hat. Robert has been married to his wife, Connie, for 17 years and has two children. In his spare time, Robert enjoys being a

Continued on Page 4

CUSTOMERS AND AGENTS

SHIPPER NEWS: CHASING AWAY THE WINTER BLUES

As you may have heard in my recent voice mail, the entire specialized freight segment is suffering the winter blues.

In addition to substantially lower volumes of freight, rates are down. This is a natural happening when loads are harder to come by. I would like to let you know what the Sales group is doing to counter this problem and also give you some predictions for the upcoming months.

We have implemented an extensive telemarketing program which keeps us in touch with existing and potential customers on a regular basis. This has already resulted in additional opportunities. We are working closely with our agents to help them secure additional

loads from their customers.

We are also being much more aggressive in our pursuit of military traffic. While there seems to be an increase in the offering of this traffic, the rates (bids) we are seeing are very low. We continue to bid and are trying to be as competitive as possible.

The other factor on freight which cannot be ignored is the time of year. January and early February are traditionally tighter times in specialized. Each year is a little different, this one is proving to be in the mold. Positive signs are showing, though, as manufacturers begin ramping up the production of farm and construction equipment. They are moving into their busy seasons.

Along with this increase, dealer transfers of farm and construction also are showing the signs of seasonal increases. We understand that things have been tough, more in certain areas than others. You must remember that the grass is not greener on the other side of the fence, and we all are working in the same pasture.

We understand the responsibility we have to keep you moving and profitable. We take that very seriously and are working hard and smartly to get it done.

Your focus on excellent communication and keeping on schedule are critical to our ability to maintain and gain business and customers.

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

New Faces For Diamond Sales Team

Diamond is pleased to welcome Cathy Schook and Cheri Walden to the Inside Sales Team. Both bring a great deal of enthusiasm and talent to the company.

Cathy is handling the Southwest, Northwest and West while Cheri is working with Randy Brown on states in the East, Central, Southeast, Northeast and eastern seaboard parts of the country.

TERRITORY CHANGES

In another change on the Inside Sales Team, Diamond has re-aligned territories to dedicate more resources to those areas of the

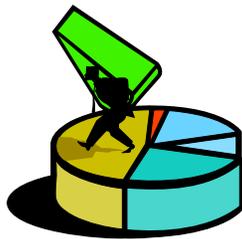
country in which we have a greater amount of equipment,

This adjustment enhances our ability to pursue freight opportunities from existing customers as well as to build our customer base.

In today's competitive freight environment it is very important to respond quickly and to follow up on customer's requests for movements.

This re-alignment, combined with adding additional sales personnel places us in an excellent position to secure additional traffic.

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



TOP-FIVE AGENTS

JULY—SEPTEMBER

1. Laurel Barbera
2. Rick Newton
3. Tim Wood
4. Larry Meek
5. Brenda Suttles

OCTOBER-DECEMBER

1. Rick Newton
2. Laurel Barbera
3. Tim Wood
4. Brenda Suttles
5. Joe Haskins

BE ON THE LOOK OUT FOR NEW CUSTOMERS IN 2007

As we enter a new year we find changes occurring in our customer base. Those changes, we hope, are in the area of growth and we need your help.

While we will continue to service our CNH, John Deere, Claas and Agco accounts, as major customers, we have additional new customers that we are now serving. Some of those are past customers being brought back and some are new customers. Both will feed our growth as we move into 2007.

As we look into the future - be it a week, a month or a year - we are hearing that 2007 is going to be a growth year in both the agricultural and construction markets.

Utilization of our large RGN fleet puts us in a very positive position with our present as well as future customers. Although bigger is not always better, it

seems that more and more agricultural and construction equipment is being manufactured in larger sizes. Our RGN fleet will keep us in line as a major service provider for these growing units.

While growth occurs, we also need the assistance of those on the road and at truck stops. You are out there and see what is moving out.

If you see something that fits our type of equipment, try to get the name of the product and the location of where it is manufactured and relay this information to your fleet manager. He will pass it on to sales to make contact and possibly service that company in 2007.

- Paul Martinson, President



SAFETY & COMPLIANCE

DRIVE SAFE: YOU CAN HELP LIMIT INSPECTIONS

Do you ever wonder why certain company's tractors are always being inspected? Chances are, it's the result of their Inspection Selection System (ISS-2) score.

The ISS-2 uses data from SafeStat, which rates carriers on their safety performance, and puts it in a quick, easy-to-use tool to help inspectors select vehicles and drivers for roadside inspections.

Each carrier is assigned a number between 0 and 100, based on their performance in four areas: Crash history, vehicle inspection history, driver out-of-service and moving violation history; and safety management. The number produces a "pass", "optional," or "inspect" recommendation to officers.

As a driver, you have an effect on our ISS-2 score. If you operate legally, and don't have roadside inspections with violations, you can help reduce the score and help the fleet receive fewer roadside inspections. If you don't operate legally and receive violations at inspections, our score will go up and increase the chance that our fleet will have more and stricter roadside inspections.

Diamond right now has an "optional" rating. You can make that go

either way as a result of your inspections. Do your best to operate legally and reduce the number of violations and the number of inspections for our fleet.

Here are some tips to prepare yourself for a roadside inspection:

- Secure your loads properly and keep securement devices in good condition.
- Weigh and measure your loads.
- Conduct a thorough pre-trip inspection and have any problems repaired.
- Obey speed limits, don't tailgate or cut in and out of traffic.
- Wear your seatbelt.
- Keep your equipment clean.
- Do not have a radar detector. Many law enforcement agencies have equipment that can detect their use.
- Keep your logbook neat, clean and current at all times.

Be courteous to law enforcement officers, roll your window down, and follow instructions without complaining. Please drive safe!

- *Diane Dahse, Safety Director*

News and Notes

EMANIFESTS: Starting January 25th, all trucks transporting loads from Canada to the US using any port of entry in Washington, as well as the ports of entry at Pembina, Neche, Walhalla, Maida, Hannah, Sarles and Hansboro in North Dakota, will be required to file an electronic manifest with US Customs. This is related to the ACE Truck Manifest System being implemented by U.S. Customs and Border Protection. We are in the process of hiring a firm to create and submit manifests for us. Empty trucks are not required to file an emanifest at this time, but this could change later in the year. Also, Ports of Entry in Michigan and New York will be coming on-line for the emanifest requirement in the near future.

NEW LENGTHS: This past July, Wisconsin Governor, Jim Doyle signed a law allowing tractor semi-trailer combination lengths up to 75 feet, and a semi-trailer up to 53 feet and having a kingpin-to-axle length not exceeding 43 feet.

SNOW AND ICE: In Pennsylvania, when snow or ice is dislodged or falls from a moving vehicle and strikes another vehicle or pedestrian causing injury or property damage, death or serious bodily injury, the operator of the vehicle from which the snow or ice is dislodged or falls shall be subject to a fine of not less than \$200 nor more than \$1,000 for each offense.

This does not allow law enforcement to stop a vehicle they think has too much snow or ice on it, but only after it has fallen and caused damage or injuries.

THE DISPATCH PERSPECTIVE

WE PROVIDE A SERVICE—No more, No less. As you know, at Diamond, we don't make a product, we don't sell widgets, and we certainly don't get by on our good looks—we sell a service. It is vital that we provide that service to the best of our ability.

What does this mean to the owner operator? It means put a smile on your face. It means dress appropriately. It means be courteous and respectful to shippers and consignees. You are the face of Diamond Transportation System. Those shippers and customers don't see us very often, but they see the owner operator daily. The owner operator is what they will remember about Diamond.

It also means pay close attention to your 'driver receipt' (load card). Customers are becoming more specific with loading and unloading time requirements. Your driver receipt will have all the specifics necessary to complete the load without flaw. Check the specific requirements including pickup and delivery times on driver receipts. If you can't meet these requirements, don't accept the load.

It also means plan ahead. If you get a load that will require permits, get them started before you get to the shipper. This planning will greatly reduce delays once you are loaded and that can be the difference between meeting a deadline and missing one.

Your appearance, attitude, efficiency and attention to detail all make up the service we provide and that service makes all the difference. These are the reasons we will get more freight from a shipper, consignee or customer, and will also be the reason we might not get a call back.

Even if a load is tendered through a broker, we need to provide the best service possible. The service you provide might just mean that shipper or consignee will call Diamond directly the next time they need a load moved. Don't confuse this with back-solicitation—we don't want to get into that, but if they call us, so be it.

-*Jon Coca, Vice President, Operations*

THE BACK PAGE

Recruiting Corner: COME BACK TO SEE US!

Hello to all our owner operators out there! We wanted to touch base with you on the new way we are doing things in the recruiting department.

We have moved our area around to make it more inviting to you owner operators.

When you stop in, we ask that you sign in on our clip board. That way, the whole company can tell when you dropped by.

You also should make sure one of us is aware that you are here so we can do a walk-around inspection on your tractor and trailer.

The reason for the walk-around is to ensure that you are the safest you can be out on the road. If there is something we can catch instead of a DOT

inspector, that could mean \$50 in your pocket for passing the DOT inspection with no marks against you.

While in our department, feel free to pick up any supplies: Trip Pak envelopes; self-addressed, stamped envelopes; log sheets; scale directories; truck stop directories; mugs; pens; federal safety guidebooks, and the latest issue of the Diamond Dust.

You can also relax in the orientation room with a cup of coffee and a bite to eat. So, in the future let's communicate when you get in and make it a safer business for everyone.

- *Allyse Mireles, Recruiting 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.

Owner Operators of the Month continued

starter for horse racing and has been doing this since 1996. Robert has worked for Diamond since September 2004.

September—Jeremiah Meza has been with Diamond since June 2006 and drives a rose colored Freightliner. He has been married to Jennifer for eight years. They live in Illinois with their three children: Kaylene, 8; little Jeremiah 6; and Cheyenne, 3.

October—Rex Foreman has been with Diamond for 25 years. He and his wife of 46 years, Ada, have six children and nine grandchildren. Ada rides with Rex about half the time he's on the road. At home, he

works in the yard, chases the grandchildren around, and aggravates Ada—so she says!

November—Van Williams has been with Diamond for two years. When he is not out on the road in his blue Freightliner, he

is at home in Pennsylvania spending time with his four children: April, 17; Ashley, 15; Adam, 13; and Victoria, 11. They all enjoy riding four-wheelers together. Van is engaged to Mary. This is his first OO of the Month award.

December—Tim Christensen, from Lucky, Ohio, has worked for Diamond for the past year and drives a purple Peterbilt. Tim is married to Kim and they have two children: Haylee, 11, and Ben, 9. When at home, he and the family spend time at the lake, fishing, riding inner tubes, and just hanging out.



Foreman



Williams



Christensen

Employee News & Anniversaries

Employee Anniversaries

- Randall Brown—16 yrs. October
- Harvey Jenkins—42 yrs. November
- Richard Jenkins—53 yrs. November
- Jeanie Kuehl—40 yrs. December
- Chris Linders—16 yrs. November
- John Marr Jr.—12 yrs. November
- Terry Peaslee-13 yrs. October

New Owner Operators

- Joe Bagshaw
- Gene Berscheid
- David Capps
- Bruce Cobine
- Mark Fauser
- Aaron Ferguson
- Dale Garry
- Chris Harris
- John Huckman
- Claude Morgan
- Timmy Williams
- Chris Wysong

Owner Operator Anniversaries

- Irvin Woodruff—39 yrs. Nov.
- Phil Jostad—34 yrs. Nov.
- Richard Ruger—29 yrs. Sept.
- Arlan Turk—24 yrs. Nov.
- Michael White—15 yrs. Aug.
- Arvin Weber—14 yrs. Dec.
- Charles Burton—13 yrs. July
- Larry Akers—9 yrs. Sept.
- Casey Skillingstad—8 yrs. Sept.
- Paul Schneider—7 yrs. July
- Brian Garbes-5 yrs. July.
- Dennis Egness-5 yrs. August
- Charles North-5 yrs. Aug.
- Ronald Perry-5 yrs. Oct.
- Pete Cheely-5 yr. Nov.
- Russell Sparks-5 yrs Dec.
- David Dake-3 yrs. July
- Earl Swallow-3 yrs. Oct.
- Larry Cavanaugh-2 yrs. Aug.
- Robert Key—2 yrs. Sept.
- Scott Krueger-2 yrs. Nov.
- Doyle Clifton-2 yrs. Nov.
- Robert Best-2 yrs. Nov.
- Phillip Nelson-2 yrs. Dec.
- Dan Latham-1 yr. Sept.
- Cecil Hayden-1 yr. Nov.
- Steven Benson-1 yr. Dec.