



People, Vision and Teamwork

Company President discusses upcoming plans and applauds employee efforts

By **Tim Kohl**

Marten Transport President

The number one asset of any business is its people, and at Marten this is especially the case. You should be proud of the growth and accomplishments of Marten over the years since Roger Marten started our Company over 62 years ago. Randy Marten who was motivated by his father to ensure the success credits him with the philosophy that still guides Marten Transport today: "Treat your employees and customers with the respect they deserve, and success will come naturally."

Marten has been built on Company character including believing in our people and our people having a reputation for being fair and doing what they say they are going to do. It's all of our people that have been helping us get through what is probably the toughest economic environment that the truck load industry has faced in its history. It's also all of the customer relationships that have been developed over many years through your consistent ownership of customer service that have assisted us in getting through these times. We are hopeful that we may be close to the end of this down cycle, but we must still continue to keep our

sleeves rolled up and work like we are still in the depths of it.

We have had a difficult time recovering our cost increases from our customers the past couple of years, as our customers have seen their businesses having to cope with commodity cost increases and the escalation of oil costs for their production and our transportation services. Since we've been unable to recover all of the fuel cost increases, we've had to work really hard at reducing our fuel usage and costs, as well as our other costs. We've also worked to continue to improve our information structure to provide our operations people real time customer load information to be able to manage our freight opportunities more efficiently to get our drivers freight and safe consistent miles in this tough freight environment and improve our daily truck revenues. You have been accomplishing this while remaining focused on providing more and better service to our customers.

We're also continuing to push our customers for rate increases to both pay us for our fuel usage to deliver their goods and to provide us with a fair margin for our premium services. As a result of your hard and smart work we've been

able to remain profitable while we've seen other truckers make excuses for losses and park their trucks and/or even shut their doors.

You've also seen and been a part of the continuing business structure change to position Marten better now and when we move out of this tough truck load period to be an even stronger Company. Our Vision is to continue our growth as the best temperature controlled carrier in the Country with the reputation for the best customer solutions and service.

Our plan is to continue to: maintain our leadership in the long haul OTR truck market; grow and provide more Regional truck solutions; provide more Dedicated solutions to our customers; expand our Intermodal services base – with the high price of fuel this has continued to grow at a rapid pace; and grow our non-equipment based services through our Brokerage business for both temperature and non-temperature controlled customers.

The bottom line is that Marten has evolved from a primarily temperature controlled long haul OTR truck carrier to a multi-modal carrier that can offer customers more solutions to provide

more efficient freight transportation services.

A lot of time, money, and effort have been (and will continue to be) expended on developing these business platforms to give us these structural competitive advantages to improve and optimize our customer relationships and business services.

All of our jobs are to continue to build on and drive these competitive advantages every day. It's what our Marten Enterprise program is all about: creatively making decisions daily, whether you are in Mondovi, one of our terminals, or on the road, that move us a little further ahead producing wins for both Marten and our customers.

We're a team of very strong people who have been flexible and adapted to the changing economic environment. As we continue to work through changing and difficult times, all of us need to continue to do quality work every day to add value to our team and our customers and to continuously improve how the work is done.

I'm proud and honored to be a part of Marten and am as committed as anyone to work with our management leaders to do my part to ensure Marten's success.

Celebration of drivers to take place during the last week of August

National Truck Driver Appreciation Week is slated for August 24th through the 30th this year and Marten Transport has a host of events and festivities planned to show our appreciation for the job our drivers do for the company and our customers. We have events planned every day Monday through Friday that week at all of our facilities and hope that as many drivers as possible will be able to attend.

Our Supervisors, Managers, Directors and Executives will be donning aprons and chef

hats to cook you up burgers, hotdogs and brats on cookout days along with a pancake breakfast on Thursday. In addition to these festivities, we will have some great giveaways that all Marten drivers will be eligible to win! Winners will be chosen in a random drawing of ALL drivers at the end of the week's festivities.

If you are unable to make it to any of our facilities that week, many of our customers and vendors are also hosting driver appreciation events that week.

SCHEDULE OF EVENTS

- **Monday, August 25th** -- Cookout at all terminals, 11 a.m. to 3 p.m.
- **Tuesday, August 26th** -- Ice Cream Social at all terminals, 1 p.m. to 4 p.m.
- **Wednesday, August 27th** -- Cookout at all terminals, 11 a.m. to 3 p.m.
- **Thursday, August 28th** -- Pancake Breakfast at all terminals, 7 a.m. to 9 a.m.
- **Friday, August 29th** -- Cookout at all terminals, 11 a.m. to 3 p.m.

◀ MANAGEMENT LETTER TO DRIVERS

Driver efforts saluted by management

MONDOVI -- The management team at Marten wants to take a moment to send out a couple of quick notes outlining the successes we have had this year, and pass on a word of thanks to our drivers.

We truly recognize that our drivers deliver the excellence our customers enjoy, and your efforts are very much appreciated.

Examples of this success include the 2008 General Mills Carrier of the Year Award, and the 2007 Gorton's Carrier of the Year Award, which our drivers have won 3 years in a row.

Our customers continually comment on the professionalism of our drivers at their docks. This extra effort generates more opportunities for the company. Thanks for

separating Marten from the competition and everyone's commitment to excellence and service. It firmly places us amongst the top 5 preferred carriers for virtually all of our top 30 customers.

As you are all aware, safety is a huge priority at Marten. You have worked hard to drop our safety evaluation scores and as a result, we are experiencing fewer inspections at scales.

Major accidents have been minimal but the accumulation of minor accidents continues to dip into the company profits. For example, we have experienced 692 minor preventable accidents this year that cost less than \$3000 each, the damages of which totaled \$562,000.

This serves to remind ev-

eryone that even small fender benders, backing incidents and other careless moves cost big bucks. Please invest the time necessary to drive safely.

Looking forward, we need to continue the strong efforts towards minimizing idle time, putting more freight in the trucks and offering our drivers solid consistent pay checks.

Thanks to our drivers and their solid efforts at managing idle time, Marten has purchased 750,000 less gallons of fuel this year vs. last year.

If you compute the math, that is an approximate savings of \$3.3 MILLION. Lacking the effort of our drivers, Marten would be posting horrific financial results like many of our competitors.

The demand for our service is improving and Marten is

taking aggressive tactics to insure that our drivers stay busy.

The Sales department has hired five additional experienced sales professionals to make certain that we load our drivers every day. As evidence, miles per tractor have improved over last year and we are enhancing our systems to provide greater visibility to your real time earnings, which will give your Fleet Manager the opportunity to help with pay check consistency. Also, please talk to fellow drivers about the success of the per diem pay program.

More drivers are signing up weekly and enjoying the improved take home pay.

Thanks again to all of you for the commitment, professionalism and overall excellence you deliver.

◀ MAINTENANCE

Keeping trucks rolling benefits all

Preventive work and proper pre-trip inspections are key to good maintenance



MONDOVI -- A well maintained tractor is vitally important for Marten and its drivers to remain competitive in today's tough environment. Anytime one of our trucks is at an outside facility it cost our company in many ways. Downtime of equipment not only hurts our drivers but also our customers. As a rule of thumb an out of warranty repair costs Marten a minimum of 50% more on the road than in house.

Having a well maintained piece of equip-

ment starts with a thorough pre-trip and adhering to the scheduled preventative maintenance schedule. Operations and our shops have been working to reduce the number over overdue services in our fleet to zero.

Over the past 45 days the number has come down from over 120 tractors overdue to a little over 60. By making sure our equipment gets through the shop we have seen a dramatic reduction in road breakdowns. During this same period our tractors that have

broken down on the road had been cut nearly in half. Tractors consistently late on preventative maintenance are much more likely to break down, costing our drivers downtime and our company expense that is avoidable.

Operations and our shop locations have been working together communicating shop availability so our drivers can schedule with our shops more efficiently.

When we do our services at a terminal, we are not just draining the oil and changing the filters, we are doing a DOT inspection each time the tractor is getting serviced. This allows us to check for any other issue that might cause our drivers downtime in the future.

Because of the other work we do at a service, we save approximately \$200 per service versus and outside location. Eliminating just 20 outside truck services per week saves our company around \$208,000 annually, and keeps our drivers moving.

With Marten's recent additional terminal location in Irving Texas, we now have 6 terminal locations to serve our drivers.

◀ 2008 RANDOLPH L. MARTEN SCHOLARSHIP WINNERS

► Marten Transport has established a scholarship program to assist company employees' children who plan to pursue post-secondary education in college and vocational programs. Scholarships are offered each year for full-time study at any accredited post-secondary institution of the student's choice.

The scholarship program is administered by Scholarship Management Services, a department of Citizens' Scholarship Foundation of America, Inc. (CSFA). CSFA is a national non-profit educational support and student aid service organization that seeks to involve and assist the private sector in expanding educational achievement. Awards are granted without regard to race, color, creed, religion, age, gender, disability or national origin.



Commitment to excellence gains tuition awards

Marten awards eight exceptional students with grants to help further their education

MONDOVI -- Marten Transport, Ltd. is proud to announce the recipients of the 2008 Randolph L. Marten Scholarship Program.

In order to be eligible for this scholarship, the applicant must be a dependent child of a Marten Transport, Ltd. employee. The following recipients will receive a \$1,500.00 award to use towards furthering their education.

• Anthony R. Crowell is attending the University of Minnesota in Mpls-St. Paul, MN. Anthony's major field of study is Sports Management. Anthony is the son of Barry and Missy Crowell,



Crowell



Brown

and Dave and Sheryl Laehn of Mondovi, WI.

• Samantha R. Brown is attending the Univer-

sity of Kentucky in Lexington. She is majoring in Communications. Samantha is the daughter of Walter and Peggy Brown of Vine Grove, KY.



Larson

• Kyle Larson is attending the University of Wisconsin-Stout in Menomonie, WI. Kyle's major field of study is Packaging. Kyle is the son of Ed and Faye Larson of Mondovi, WI.

• Jenna Ann Loewenhagen is attending Chippewa Valley Technical College in Eau Claire, WI.

Jenna's major field of study is Surgical Techni-



Loewenhagen

cian. Jenna Ann is the daughter of Jim and Kathie Loewenhagen of Mondovi, WI.

• Jena Moats is attend-

ing North Carolina State University in Raleigh, NC. Jena's major field of study is Psychology. Jena is the daughter of Rod Moats and Nevada Moats of Mondovi, WI.



Moats



Foss

• Brittney L. Foss is attending Concordia College, Moorhead, MN. Brittney's major field of study is Music Education. Brittney is the daughter of Larry and Denise Sobolik of Mondovi, WI.

• Jessica M. Hallberg is attending the University of North Carolina at Greensboro, NC. Jessica's major field of



Hallberg

study is English. She is the daughter of James and Pamela Cantrell of Mondovi, WI.

• Alexa R. Plass is attending the College of St. Scholastica in Duluth, MN. Alexa's major field of study is Pre-Pharmacy. She is the daughter of Pamela and Timothy Johnson and Stephen and Plass of Mondovi.



Plass

Marten Transport, Ltd. holds a strong belief that education and hard work will make a difference in the future.

Since the inception of the Randolph L. Marten Scholarship Program, the Company has presented over 80 students with educational scholarships.

Marten Transport would like to congratulate all of the recipients on this achievement, and may they have continued success in their chosen fields of study.

June Honorees

Congratulations to the men and women below, who have been selected as Driver's of the Month. Each driver receives a certificate and gift from the company store and will be acknowledged on the company web site.

R. Goodwin III & T. Gue	Fidel Hernandez	Calvin Lewis	Billy Pursley
Michael Johnson	James Kelly	James Lewis	Mitch Rowlett
John Kehl	Ernest Cramblitt	Fred Turlington	Chris Brown
Neal Gilbert	Tremayne D. Pearson	Ed Duel	Don Pickford
Troy Genn	David Brock	Ed Schamburger	
Michael Saunders	Jose Martinez	Shirly Reihl	
Robert Lambeth	Gwen La Duke	James Roaden	
Anatoly I. Brichka	Hal Morris	Adam Price	
Patty Joseph	Johnny Humphrey	Edward Hildebrand	

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Auxillary Units helping reduce fuel costs

Skyrocketing price of fuel continues to be biggest challenge facing the transportation industry



OFFSETTING PAIN AT THE PUMP

Cost of fuel has increased at an alarming rate during the past six months. The commitment Marten has made to installing Auxilliary Power Units has helped reduce idle time and the company's overall fuel costs. The average price for a gallon of fuel has risen to \$4.50. That price is more than \$1.60 more than what it cost last year.

MONDOVI -- Ask most anyone in the transportation industry the single biggest challenge that we face today and the answer will be fuel. The average cost of fuel has soared from \$3.13 in January to \$4.50 in July. This \$1.37 per gallon increase is in the forefront of the transportation industries mind. During the first two quarters of 2008 industry analysts were alarmed with the number of trucking companies that could not manage

this crisis, and simply closed their doors.

Marten Transport, Ltd. started to install auxiliary power units in the fleet in May of last year, and has completed the primary installation phase with over 85% of the fleet currently equipped. This proactive measure has insulated Marten from incurring unnecessary fuel costs for cab climate.

Driver reaction to their APU has been great, and compliance in keeping idle under

5% has helped Marten manage our overall fuel cost.

In June of 2008, drivers with an APU on their tractor did an excellent job and kept the idle 5%, meeting our goal. The willingness for our drivers to eliminate their idle saves us fuel costs that we cannot recoup from our customers.

Thanks again to our drivers that continue to make Marten an industry leader!