



News & Views

4th Quarter 2011

I am cautiously enthusiastic about what we are accomplishing at Midwest Specialized. Midwest is delivering against the business results we set out to achieve during the outset of 2011.

Did you ever notice that the people with the most enthusiasm are also the ones with the most energy? There is a scientific reason for that. Neurologists have proven that when you do something with enthusiasm, it takes approximately one-tenth the effort that it takes to do ordinary things.

We are all experiencing a very unusual time in the history of trucking. For those carriers that survived the Great Recession of 2009 & 10, many are experiencing increased rates as the economy continues its slow recovery. However, there is still a long list of many unfavorable challenges facing the industry. Individually these issues would be manageable; collectively, they pose serious challenges.

- Sharp increases in energy costs
- Tightening capacity as shipper demand outstrips carrier supply
- Federal legislation and rules from the DOT that increase the cost of doing business
- CSA and tighter regulatory measures
- Hours of Service (HOS) ruling - changes to the 36 hr restart
- Highway reauthorization bill - funding through increased use taxes
- Cap and trade legislation - Environmental Protection Agency emission standards
- Increased fuel efficiency standards
- Reemergence of driver shortages
- Rulemaking procedures for Electronic on-board recorders
- Lack of access to capital markets
- Future homeland security initiatives

This list can be depressing for anyone in the transportation business. Yet, I am confident that at Midwest we have the teams in place to succeed!

The word "enthusiasm" comes from the Latin "to be inspired by God." Enthusiasm is contagious. It doesn't just feel good to you - it feels good to everyone who comes into contact with you. Enthusiasm and pessimism are incompatible. A person cannot contain both at the same time. So, don't curb your enthusiasm. Cultivate it, and throw in a healthy dose of optimism. Your level of excitement about Midwest can be contagious as well to our customers, other drivers, and owner operators.

Mark Twain once said, "I can live for two months on a good compliment." Words of appreciation are verbal compliments that are simple, straightforward statements. Using encouraging words can show appreciation. Providing an encouraging word to another associate may inspire them to unveil their untapped potential. Thank you for your efforts in 2011.

Together, our enthusiasm will prepare us for and allow us to survive any challenge the market stirs up. At the outset of 2012, I am cautiously enthusiastic that this year is going to be better than last year.

Sean Claton

A Note from Chris Koenig

What a crazy year, snow comes and goes and we're hitting 40 degrees in the middle of December with a brown Christmas. Our traditional business cycle which normally slows around the holidays kept going strong this year.

2012 appears to be a stronger year for many of our customers. Our Machinery side continues with strong demand. Agriculture, which normally drops off around October, continued though at a slower pace, to finish the year strong. Our Vans continue to stay very busy with our top customer growing 50% this past year alone with no signs of slowing.



I've been visiting with many of our customers this past year. Most comment about our drivers, equipment and service being well above average which always makes my visit enjoyable. Our service is great but we must not let our guard down. We can haul 1,000 loads with no problems and have one fail because of the smallest issue. That one load is what they will talk about for a long time. Our customers today are expecting 110% in everything we do. It's always better to tell a customer we have a problem than to have them call and tell us we do.

We've been very blessed to have built up and continued a long relationship with most of our customers. This is not an easy task; it takes dedication and commitment from everybody. Many of our competitive carriers envy our customer base. Thank you for building the Midwest reputation.

We've been very successful in getting rate increases as the market allows with more loads out there than trucks. Looking forward to 2012, we will continue to improve our traffic lanes that best serve our customers and maximize our revenue for our trucks. We will continue to grow with our long term customer base; many have been with us 20 plus years. We continue to look at new customers that fit our strategy; please continue sending me referrals of possible new customers.

In closing I would like to wish everyone a Happy and Prosperous New Year.

Chris

2011 Year End Tax Prep for Owner Operators:



The week of January 3rd - we will be mailing out the YTD totals for the various accounts listed on the owner operator settlements. Please combine these totals with the YTD totals on your last settlement from the old computer system to get your final 2011 YTD account totals. 2011 1099 reports will be mailed out at a later date. Any questions, please contact Nancee, Diane or Dawn.

SAFETY NEWS

Let me start out by saying Thank You to all the drivers for doing a great job in 2011! The year will go down in the books as one of the safest years at Midwest with no preventable DOT reportable accidents, which is an outstanding accomplishment. The number and severity of cargo claims was also greatly reduced in 2011. The credit for these results goes to you, the driver, for driving safe and taking care of our customers' cargo. Let's carry this positive momentum into 2012.

An area that we need to work on in 2012 is our CSA Basic scores. Although the scores shown below are very good, we cannot let our guard down by getting more violations on roadside inspections. The trend for 2011 was an increase in the number of violations over 2010, 84 in 2010 vs. 145 in 2011. The following areas are where we need to focus: Numbers listed are for last two years.

- Un-safe Driving: 36 total violations of which 26 were for "Speeding".
- Hours of Service: 39 total violations of which 18 were for "Log not Current".
- Vehicle Maintenance: 64 total violation of which 25 were for "In-operable lights".

We can greatly reduce our scores simply by not speeding, keeping your logbook current to the last duty change / make sure your line is on the correct duty status line and checking for burned out lights and fixing them before driving.

We will be saving trees in 2012 by using the Trans-Flo paper work scanning system to transmit your paper work electronically to the terminal vs. using mail. This system will allow you to send your paper work in as soon as you get to one of the 870 + truck stops where it is available, this will greatly reduce the time between delivery and payroll. So far 30 drivers have been switched to the new system. (For those at the OH location a scanner is being installed at the terminal in-place of using Trans-Flo.) Along with this change comes a new logbook that is more scanner friendly, please begin using the new logbooks as soon as possible and turn in the old blue ones. For more details and to make the switch stop at the Rochester yard and see myself or Sarah Elsberry.

On January 3rd, 2012 it will become illegal from drivers of commercial motor vehicles to use hand held cell phones while driving. Midwest's policy on the use of cell phone is printed in this newsletter, all drivers will be required to sign this policy and return to the safety department. The form to sign will be in your truck file.

Thanks for a great 2011, lets go for a better 2012.

Kurt Reed



Hours of Service



Accident



Un-safe Driving



Load Securement



Driver Qualification



Drug & Alcohol



Vehicle Maintenance

Below is our new cell phone policy that went into effect Jan. 1st, 2012. All drivers will be receiving a copy to sign and return to the Safety Department. If you have any questions, please contact the Safety Department.

FMCSA passed the final rule on cell phone use for drivers of Commercial Motor Vehicles (CMV) effective January 3, 2012. This rule restricts a CMV driver from holding a mobile telephone to conduct a voice communication and from dialing a mobile telephone by pressing more than a single button. This law also restricts the use of push to talk (nextel type) phones.



Limiting the use of cell phones, including texting and hands free devices, to times when we are not operating a motor vehicle, will reduce exposure to accidents and injuries.

Midwest Specialized Transportation, Inc. has adopted the following policy effective immediately.

Even though cell phone use is allowed with a hands free device it is our company policy that drivers not talk on a cell phone until they are parked at a safe and legal location. A driver receiving an incoming call on a hands free device, may briefly acknowledge the incoming call and inform the caller they will call back once they have parked in a safe, legal location.

Texting is never allowed while operating a CMV.

Texting includes phone texting, pda use, satellite communications or any other existing texting communication devices.

Using your cell phone while driving is classified as a serious violation along with speeding 15 mph over the limit, reckless driving, improper erratic lane changes, following too closely, driving without CDL in your possession and driving without the proper endorsements. By federal law any combination of two of these violations in a three year period will result in a 60 day suspension of your CDL.

This policy is in effect for anyone driving company owned or leased equipment for Midwest Specialized Transportation, Inc. Violations of this policy may result in disciplinary actions, up to and including termination.

Welcome to the NEW Drivers of 4th Quarter 2011

<u>Truck#</u>	<u>Name</u>	<u>Sate</u>	<u>Start Date</u>
233	Gregg Francis	OH	10/4/11 (Switched to Comp. Truck)
287	Peter Greene	WA	10/12/11 (Switched to Comp. Truck)
866	Keven Barnes	OH	10/21/11
286	John Pounders	AL	11/9/11
272	Reginald Turner	MN	11/18/11
	Charles Peterson	IL	12/2/11 Fithwheel Shag/Sub driver
281	Scott Hamlin	MN	12/8/11
255	Robert Farmer	TN	12/13/11 (Switched to Comp. Truck)
263	Ismael Villanueva	MN	12/20/11 (Rehire)

When you see these drivers either in the office or out on the road, make sure to say "Hello" and introduce yourself.

Midwest Anniversaries 4th Quarter

October 2011:

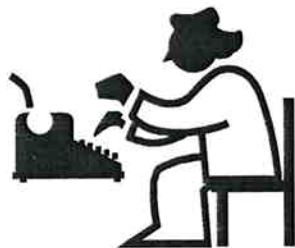
Kathy Steven	32 yrs
Greg Francics	10 yrs
Doug Flynn	8 yrs
Randy Karras	8 yrs
Lisa Busch	6 yrs
Mike Saben	2 yrs
Dave Carpenter	1 yr
Larry Rossow	1 yr

November 2011:

Glenn Heyn	30 yrs
Paul Harberts	21 yrs
Don Brandham	15 yrs
Richard Dailey	15 yrs
Rodney Pinske	11 yrs
Nate Reiser	5 yrs
Heather Stehlik	4 yrs
Paul Magee	3 yrs
Ron Johnson	2 yrs

December 2011:

Dean Onsgard	19 yrs
Richard Kovarik	19 yrs
Mike Legg	15 yrs
Larry Hopkins	15 yrs
Steve Sjorstrum	14 yrs
Ed Torvund	14 yrs
Larry Coleman	11 yrs
Jeff Anderson	3 yrs
Dan Heyn	3 yrs
Robert Farmer	2 yrs
Richard Varnold	1 yr
Kristin Crawford	1 yr
Todd Thibado	1 yr
Steve Phillips	1 yr



Thank you!!! Your hard work and dedication are what keeps this business running!!



Driver of 3rd Quarter 2011

Congratulations to Jim Schoeneman for earning the Driver of the Quarter award for the 3rd quarter of 2011. Jim has been an independent contractor on the machinery fleet with Midwest since June of 2001. He lives in Mills, WY and from what we can tell seems to be a follower of the Nebraska Huskers. His truck # is 370



Driver of 4th Quarter 2011

Jack Whitney earned the Driver of the Quarter award for the 4th quarter of 2011. Jack has been an independent contractor on Midwest's heavy haul fleet since June of 1993. Jack lives in Casper, WY where he operates a farm with his wife Carol. His truck # is 325. Congratulations Jack.



Driver of the Year 2011!!



Congratulations to Doug Flynn for earning the Driver of the Year 2011. Doug is the driver in 632 for Fifth Wheels Plus; they operate 9 trucks on our van fleet. Doug has been with Midwest since Oct. of 2003. He lives in Pekin, IL where he enjoys spending his free time with his two grandsons, hunting and riding his Harley.



ASSOCIATE UPDATE :

Norman B. Elpert — Rochester

Posted: Dec 17, 2011, 4:34 pm www.postbulletin.com



Norman Bernard Elpert, 75, of Rochester, passed away Wednesday, Dec. 14, 2011, at Golden Living Center West.

He was born in Rochester, on March 26, 1936, the eldest child of Irvin and Ann (Scholbrock) Elpert. He graduated from Rochester High School in 1954. Norm was united in marriage to Patricia A. Deyo on Dec. 10, 1955, at St. Pius X Catholic Church in Rochester. Norm was employed at Mike Kuhl Welding, Crenlo Inc. and Midwest Specialized Transportation Inc. prior to his retirement.

He is survived by his wife, Pat, and four children, Dawn (Jeffrey) Mickelson, Scott (Sue) Elpert, Monte (Lori) Elpert and Shane (fiancée, Cindy Ronningen) Elpert all of Rochester; six grandchildren; and three great-grandchildren. He is also survived by one brother, Dwayne (MaryAnn) Elpert; and three sisters, Karen Zahradnik, Gayle Lowrie and Cheryl (Kevin) Kelly. He was preceded in death by his parents, two sisters, Janet Toogood and Vivian Greening, four brothers-in-law, Donald Toogood, John Greening, James Zahradnik and Tim Lowrie and his nieces, Susan Greening and Rhonda Elpert.

He enjoyed hunting and fishing and spending time with his family.

My entire family wishes to extend our deepest appreciation to those of you who stopped by the Funeral Home, sent a card and called when my Dad recently passed away. Even in his final days - many times his conversations were about the many friends he met during his years at Midwest, welding and making things in the shop and "Michelin" tires. Your thoughtfulness is truly appreciated. Our Best Wishes to all of you for a wonderful New Year!

Sincerely,

Dawn & Jeff Mickelson, Pat Elpert, Scott & Sue Elpert, Monte & Lori Elpert, Shane Elpert & Cindy Ronningen

News from Diane Blodgett

By the end of January those of you participating in the Midwest Specialized 401k program will have the company match portion put into their accounts. In order to receive this money you need to be employed on the last day of the year and be participating in the 401k program. Since it is the beginning of a new year, now would be a good time to consider increasing your percentage or to begin or reinstate your participation. The company match is often looked at as "free money". All you need to do is save some of your money for retirement and Midwest Specialized Transportation will give you some more to help you out financially in your later years. Please take some time to consider this program and if you are interested please give me a call or stop by to talk about it. We can also arrange a meeting with any of the consultants from Advanced Financial if you have more questions.

For those participating in the Dental insurance plan you should have received your new enrollment cards. As of January 1, 2012 we switched companies and are now with Prudential Insurance. If you have not received a new membership card please let me know.

Now that tax time is approaching remember that you can change the number of allowances you are claiming at any time. If you find that you are having to pay in large amounts you can also have additional amounts withheld from your check to compensate for the shortfall. The same goes the other way, if you are getting a large sum returned may be you want to decrease the number of allowances you are claiming. There is a form that needs to be filled out to make these changes. Just stop by and fill one out,

Have a safe and happy New Year



QUICK TIPS FROM THE SHOP

Freezing Breaks: As winter will eventually show its face, make sure that your tires are turning when you take off with a trailer.

On the road repairs: When you have parts or tires replaced on the road, it is YOUR responsibility to bring all parts back to Rochester.

Scheduling: It is VERY helpful to our scheduling if you give advanced notice when you are coming thru the yard, especially if you are short on time. A two day notice is preferred but if not possible two-three hours is better than just showing up.

O/O DOT Inspections: ALL trucks licensed in MN need to have an inspection done in MN to be legal there. If an inspection is done else where, the truck/trailer is only allowed one visit into the state to have the inspection completed. The inspection does not have to be done by Midwest as long as it is done in MN. Although, Midwest must have a copy of any and all DOT inspections not preformed by us no matter what state the truck is licensed in and where the inspections is done at.

Contacting the shop: Direct line: 507-424-4855 Email: Hassig@midspec.com
QUALCOMM: #13 ext 4855 #12 Trailer Maintenance #24 Emergency Breakdown

Thank you for all your continued support in the care of Midwest's trucks and trailers. You are the shops eyes and ears out on the road.

Stub, Shawn, Dave K, Nate & Sarah

Customer News:



Ryerson Steel and the early years of Midwest Trucking landscape changed forever with the passage of the Truck Deregulation Act of 1980. Beginning in 1935, trucking routes, rates and services were controlled by the Interstate Commerce Commission. Any carrier expansion was dictated by either acquiring another carrier or proving a public need for a proposed new service. Small carriers such as

Midwest favored the method of encouraging shippers to support Midwest for new authority. Midwest's goals during this time were to locate shippers who would require special needs such as dedicated or tailored equipment. Personnel with knowledge of each shipper's needs and requirements were a necessity and that is where Midwest excelled in safety, cutting edge equipment and experience. Between 1967 and 1980, Midwest filed 140 ICC applications with both small and large shippers.

One shipper who fit our growth strategy was Joseph T. Ryerson & Sons – a division of Inland Steel – which was one of the world's major steel companies. At the time we called on Ryerson, they had been in Chicago for over 150 years and shipped steel to distribution centers nationwide. One of their needs was to find a more dependable way to move nightly shipments from Chicago to their distribution center in Plymouth, MN. After meeting with Ryerson's Traffic Manager, Milt Kringel, Midwest's Herb Ney and Al Koenig reviewed a number of options and chose the dedicated driver-equipment plan. Kringel then supported Midwest before the ICC and eventually authority was granted.

Ultimately, 2 drivers and 2 trucks began operations – soon moving to 10 drivers and 10 trucks. Trailers were pre-loaded in Chicago with a planned 8 PM departure with delivery 10 hours later in Plymouth- rain or shine. Kringel and crew considered Midwest an integral part of Ryerson's success in Minnesota. They were impressed with Midwest's capabilities – drivers, equipment and integrity. In Rochester – Herb Ney, Jerry Pulver, Dave Russell and Pat Lane (supervised by Paul Harberts) made it happen. The shop crew kept the equipment well maintained and Chris Koenig was always looking for equipment to make the job better. But just as important were the dozens of Midwest drivers over the past 30 years who made it happen in a safe and dependable manner. Midwest drivers – such as pioneer drivers Buddy Batzel and Denny Asleson were there almost from the start and exemplified the caliber and dedication of the overall plan.

But time moves on. Ryerson was sold; focus and strategies changed. The flow of materials changed eliminating the nightly northbound runs from the Ryerson facility. After over 20,000 loads, we look back at those "good old days" of trucking as one of the many successes of Midwest's history of providing personalized, specialized service with integrity. There are many chapters to write as Midwest moves ahead into the future. Thanks Ryerson for the confidence!

CLAAS

Glenn Heyn

Years driving: 30
Years driving for CLAAS: 13
Miles driven for Claas: estimated 800,000

Number of Machines Hauled
Omaha to dealers: 377
Marketing (farm shows, demos, etc): 140
Test group, ro/ro units off rail: 234

2010 Driver of the year
Specialized Carriers & Riggers Association

100,000 Miles
LEXION Combine Delivery
Fiscal Year 2011
Mr. Glenn Heyn

A story about four drivers named –
Everybody, Somebody, Anybody and
Nobody.

There was an important job to be done –
cleaning out the trailers – and Everybody was
sure Somebody would do it.

Anybody could have done it, but Nobody did it.

Somebody got angry about that because it was Everybody's job.

Everybody thought Anybody could do it, but Nobody realized that Everybody wouldn't do it.

It ended up that Everybody blamed Somebody when Nobody did what Anybody could have done...

If Everybody, Somebody, Anybody and Nobody would all do a little then the job would
be simple.



**Now accepting grant &
scholarship applications
for 2012-2013**



 SC&R
FOUNDATION
www.scranet.org/foundation

The **January 31 deadline is fast approaching** to submit an application for a grant of \$1,500* or a scholarship of \$3,000*. Since 1986 the SC&R Foundation has awarded nearly \$275,000 in Scholarship and Grant monies.

WHO IS ELIGIBLE? Full time or part time students pursuing a degree or certificate who are children, grandchildren, step-children or spouses of employees of an SC&RA member company.

QUESTIONS?

If you have any questions, please contact the Foundation Manager Jackie Roskos at (703) 698-0291.





Run-Under Crashes

Run-under crashes are one of the most devastating losses a trucking company can experience. The cost of a run-under crash can easily exceed \$250,000 in physical damages and personal injury. However, these crashes are frequently among the easiest to prevent. Many run-under crashes involve u-turns. Run-unders caused by a u-turn are perhaps the easiest to prevent . . . NEVER make a u-turn.

When a driver attempts to make a u-turn, the life of the driver and lives of others may be put in danger. Below are two methods drivers can use to help get back on course instead of making a u-turn:

1. In urban areas, find a safe area to turn around. Find an area where a driver can safely turn around without endangering anyone. An open parking lot works well. Or driving around the block of the load can easily make turns.
2. On the highway, circle back through other roads. Roads are interconnected. If a driver happens to miss a turn, chances are a turn or off-ramp exists a few miles ahead. Use them to get safely back on track.

Tips to help Avoid a Run-Under Crash:

- NEVER make U-turns
- Properly monitor the speed of approaching vehicles
- Be aware of what other vehicles are doing
- Install reflective tape
- Avoid backing out onto a roadway

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REMEMBER: ATS's monthly photo contest!!!

Rules: Open to ALL employees & drivers (that includes MST) Email pictures to Dawn at mickelsd@midspec.com She will forward them to ATS

PRIZES: 1st \$100.00 2nd \$80.00 3rd \$60.00

Most Recent MST winner: Mark Kickbusch Unit 576 took 2nd place in November 2010

To receive this news letter in COLOR, make comments, or corrections, please contact Sarah H. Hassig@midspec.com or QC Macro 13 ext 4849.