

MARTEN TRANSPORT Transporter



◀ FEATURE STORY

FIRST QUARTER, 2012

Looking Forward to a New Year

Upgrades & progress in 2011 has company poised for safe & productive 2012

As we launch another successful year at Marten, it's important to reflect on the accomplishments of 2011 to help us appreciate what we've done. Some of these accomplishments include:

- Marten implemented one of the largest REAL pay increases for drivers in April, raising mileage rates by up to 4 cents!

- In July, Marten implemented an industry best automatic detention pay program. This program has had a positive effect not only on our driver's pay, but also has helped us curb delays at customer locations.

- Marten opened four new terminals in 2011 in DeSoto, TX, Kansas City, KS, Carlisle, PA and Tampa, FL. We have also broken ground on a new terminal near Chester, VA in Colonial Heights, giving our drivers more options to receive service to

their tractors and trailers which reduces breakdowns and CSA violations.

- Qualcomm units were upgraded with added features including GPS navigation, customer directions, and in-cab scanning. These added features increased driver productivity by eliminating out of route miles running to truck stops to send in trip paperwork.

- By reducing idle time, we were able to reduce oil change intervals on our tractors to every 60,000 miles allowing our drivers to spend more time driving and less time having their equipment serviced. Now drivers will receive alerts at 55,000 miles that their next service is due soon.

- The company has reduced our overall CSA score by nearly 41% in 2011 thanks to your hard work and dedication to operating

safely and professionally!

- Increased seated drivers – growing our fleet while others downsized.

- We continue to invest in new tractors and trailers, while others are adding years to the average age of their fleet.

In 2012 we plan to build on this successful foundation by focusing on trucking fundamentals. "Load the trucks in the market on the day they unload to a market we want to go" is a phrase repeated often throughout Operations. A lot of effort is tied to that phrase when you think about it. Loading the trucks in the market reduces deadhead, and doing so on the day they unload, reduces layovers and increases our driver's pay checks. Loading our trucks to where we want to go involves securing the right business that is efficient

for our equipment and drivers.

Doing this part of our job right, means we don't send our drivers to consignees who don't unload efficiently and we avoid sending drivers to markets where they will sit. Our expanded and efficient terminal network also helps keep our drivers moving. This investment has greatly reduced roadside breakdowns and DOT shutdowns, both of which ultimately reduce driver pay checks.

We have all come a long way and have shown a lot of improvement in many areas of our business. Success begins with each of us doing our part and when pulled together can create great things.

Thanks everyone for your efforts in 2011 and for the future successes you will drive in 2012.

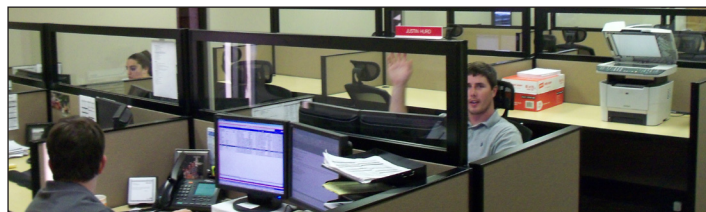
-- Marten Management Team

◀ OPERATIONS DEPARTMENT

Marten Opens New Terminal Location in Tampa, FL



The Tampa Bay area is known for sunny weather, theme parks and the new location of the Florida Regional terminal. The new terminal located on Sable Industrial Blvd. opened in early November. The move to Tampa from Lakeland placed Marten within two miles of the I-75/I-4 interchange. This location will allow drivers quicker access to two of the major interstate systems in Florida, cutting out unnecessary miles. The complex is equipped with a five bay, fifteen thousand square foot shop on an eight acre lot. The expanded shop allows for more inspections and onsite repairs. This will cut out costly maintenance performed over the road and allow for quicker turn around for our drivers. Parking will no longer be an issue on



weekends and holidays as the new lot allows for plenty of parking space for tractors and trailers. The office is equipped to meet the needs of all employees including a comfortable driver's lounge equipped with clean showers.

The added driver amenities will eliminate the need for drivers to park off site when on break in the Tampa area. This will also cut back on drivers expenses while on the road and provide plenty of space to secure equipment while on home time. The new Tampa terminal will assist in building a larger stronger fleet and operations team as Marten continues its' Regional Growth. Stop by and take a look when you're in the area.

◀ MAINTENANCE DEPARTMENT



In an effort to limit down time, each terminal is now operating an inspection lane where equipment can be evaluated quickly.

Keeping Them Rolling

Maintenance Department aims to keep trucks out on the road with effective programs and service accountability

The following is an update of Maintenance Department programs and services.

Tire Program: Year after year new tire costs are up 40 percent. This cost increase highlights the overall importance of doing your post-trip inspections and paying close attention to air pressure and overall tread depth on each one of your tires.

Proper air pressure of 100PSI in all tires is critical to the success of our tire program and your CSA scores. Low air pressure (90PSI or lower) will get you a CSA vehicle violation and cause the tire to prematurely fail. Tires that fail over the road will negatively impact your productivity and miles. Especially pay close attention to the trailers your pulling and the inflation and condition of each tire on that trailer. Low pressure will cause the tire to underperform and not corner properly. It will also damage the casing and produce lower MPG. High pressure

(over 110PSI) will cause the tire next to it to prematurely fail as well. The tire next to an overinflated tire will end up skipping down the road and will end up prematurely failing.

Audible air leaks, under inflation, and tread depth too low make up almost all CSA tire violations. If you look, listen, and pay attention to your tires you will get better MPG, better performance, better stopping ability, better cornering, better riding comfort, and a tire that will last the fleet.

Remember we have 58,000 wheel positions in the fleet; we need a concerted effort from everyone involved to make our tires perform and last. The tire violations on the CSA point scales are very high compared to other violations. These points not only follow the company but each driver individually so please watch all tires going forward.

CSA (Compliance, Safety, Accountability): Our vehicle maintenance basic score

within CSA continues to improve with the additional focus drivers are putting on equipment. Another major contributor to our CSA maintenance basic score is our improvement and increased volumes within our expanded terminal network inspection lanes.

Each terminal is now operating an inspection lane and it is imperative each driver goes through the terminal inspection lane upon arrival. The more we can quickly look at each piece of equipment the less overall downtime will be incurred over the road. One thing to remember is that we need to see these trailers as much as the tractors in these inspection lanes so we can continue to decrease downtime and our CSA score. Here are some things to look for closely on your post-trip inspections:

- Low pressure (tractor or trailer tires)
- Low tread depth
- Audible air leaks
- Inoperative lamps (all

lamps on the equipment must be working)

- Inoperative ABS light on trailer (the little orange lamp in the rear of the trailer on drivers side must light up for 3 seconds and then go off for it to be working properly)
- Air hoses rubbing or not secured properly (make sure your air lines are not stretched out and dragging on catwalk behind tractor)
- Disengaged pins on slider of trailer (all four pins need to be engaged on trailer)

New Extended Services:

Effective Dec. 20, 2011, Marten Transport will be extending our current service intervals on E and D services. We will be extending the mileage by 10,000 miles per service. This will have a positive impact across the company. One of the biggest impacts is less shop downtime for drivers. We are able to extend our oil drain intervals for the following reasons:

- Idle management, our drivers keeping their idle time under 4%.
- Making sure we execute services when they are overdue.
- Inspection lanes.

Watch your idle time very closely and make sure it's fewer than 4%. If you have an issue with your APU call road service immediately. With extending our regular service intervals all drivers need to make sure they are getting through each terminal inspection lane whenever possible. Our idle, CSA score, and overall road breakdown all continue to improve because of the continued focus from our drivers and our terminal inspection lane network.

◀ SAFETY DEPARTMENT

A Look at CSA One Year Later

A review of the new Compliance Safety Accountability program

The Compliance Safety Accountability (CSA) program has now been in place for a little over one year. Thanks to all the effort and diligence by our drivers and staff, Marten Transport has been able to reduce our CSA scores in all BASICS(see chart). In our continued effort to reduce these critical scores, it is time to review some of the major topics of CSA.

WHAT ARE THE BASICS?

CSA uses six Behavior Analysis and Safety

Improvement Categories (BASICS) as well as crash involvement data to rate carriers and drivers. The six BASICS are:

- Unsafe Driving- Example violations: speeding, not wearing seatbelt, following too close
- Fatigued Driving- Example violations: all HOS and logbook violations
- Driver Fitness- Example violations: all CDL and medical qualification violations
- Controlled Substances and Alcohol
- Vehicle Maintenance- Example violations: brakes, lights, tires, and mechanical

defects

- Cargo- Example violations: all cargo securement and hazardous material issues

HOW IS CSA SCORED?

FMCSA has assigned a severity weighting to every violation that can be received. This

points stay on the record. For carriers points stay on for two years and for drivers it is three years. These points stay with a driver regardless if they change carriers.

HOW TO AVOID POINTS?

The best way to avoid points is to have clean inspections and no moving violations. Marten has installed inspection lanes at all of our terminals. Please use them every chance you have. We can identify and fix mechanical

COMPLIANCE SAFETY ACCOUNTABILITY TRACKING SUMMARY

For period of December 2010 to December 2011

	Threshold	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
Unsafe Driving	60	78.4	79	79	74	70.9
Fatigued Driving	60	43.9	36.4	31.5	26.3	22.1
Driver Fitness	75	55.1	55.9	63.3	55	53.5
Drugs/Alcohol	75	23	17.6	6.3	5.8	0
Vehicle Maintenance	75	32.1	30.1	27.2	25.5	25.6

severity weighting is on a scale from 1 (least likely to cause an accident) to 10 (most likely to cause an accident). For instance, a speeding in a work zone violation carries a severity weighting of 10. Newer violations count higher than older violations.

For drivers, all violations in the first year are multiplied by three. This means that a speeding in a work zone violation with a severity of 10 is multiplied by three ending up being 30 points against the driver and carrier.

HOW LONG POINTS STAY ON RECORD?

Drivers and carriers differ on how long

problems, ensure that your CDL and medical card are in your possession and current, update permits, and relay new information.

Minutes spent in the inspection lane can save hours on the road for breakdowns or stops at scales.

Trust and use the e-logs. The on board recorders will almost eliminate all hours of service violations.

Do daily pre/post trip vehicle inspections and report defects found. Again use our inspection lanes or call road service if you are away from a terminal.

◀ OPERATIONS DEPARTMENT

Detention Pay Update

Company shows vigilance in pursuit of loading and unloading efficiency

Last year, Marten renewed efforts to address unacceptable delays at customer locations. We took the bold step of paying our drivers for detention time delays in excess of 2 hours at customer locations, provided our drivers were on time, regardless of whether the customer compensated Marten for the detention time or not.

As part of this initiative, we also developed a list of customers with extreme detention issues that required more than the standard detention pay for our drivers. We ended up with seven customer locations on that list. Drivers delivering or picking up at those locations were compensated at a rate of \$20 per hour for any detention time in excess of 2 hours.

We want to assure you that the company continues to be focused on eliminating unacceptable delays to load or unload our equipment. Our ultimate goal is to eliminate detention entirely. This will lead to increased productivity and increased pay for our drivers. Un-

til we reach this goal, we will continue to evaluate customer locations and address detention time head on with them. We will also continue to compensate our drivers for detention so that your earnings don't suffer when you have delays in loading or unloading.

We are increasing standard detention pay from \$12 to \$15 per hour effective February 1. We have also added four more customer locations to the extreme detention issues list. Those locations are Tyson distribution center in Olathe, KS, Ralph's Distribution Center in Riverside, CA, Safeway Distribution in Auburn, WA and the OHL (Ghirardelli) Warehouse in Bolingbrook, IL. Drivers picking up or delivering to these locations will be compensated \$20 per hour for any detention in excess of two hours. The addition of these four new locations brings the total to eleven customer locations with extreme detention issues.

We will keep you informed of any further progress in our efforts to reduce and eliminate detention time. Thank you for all you do!

Time to cash in

and pocket \$100 for making the right call to take back your health



A UnitedHealthcare Company

Don't miss out on your chance to receive a \$100 gift card.

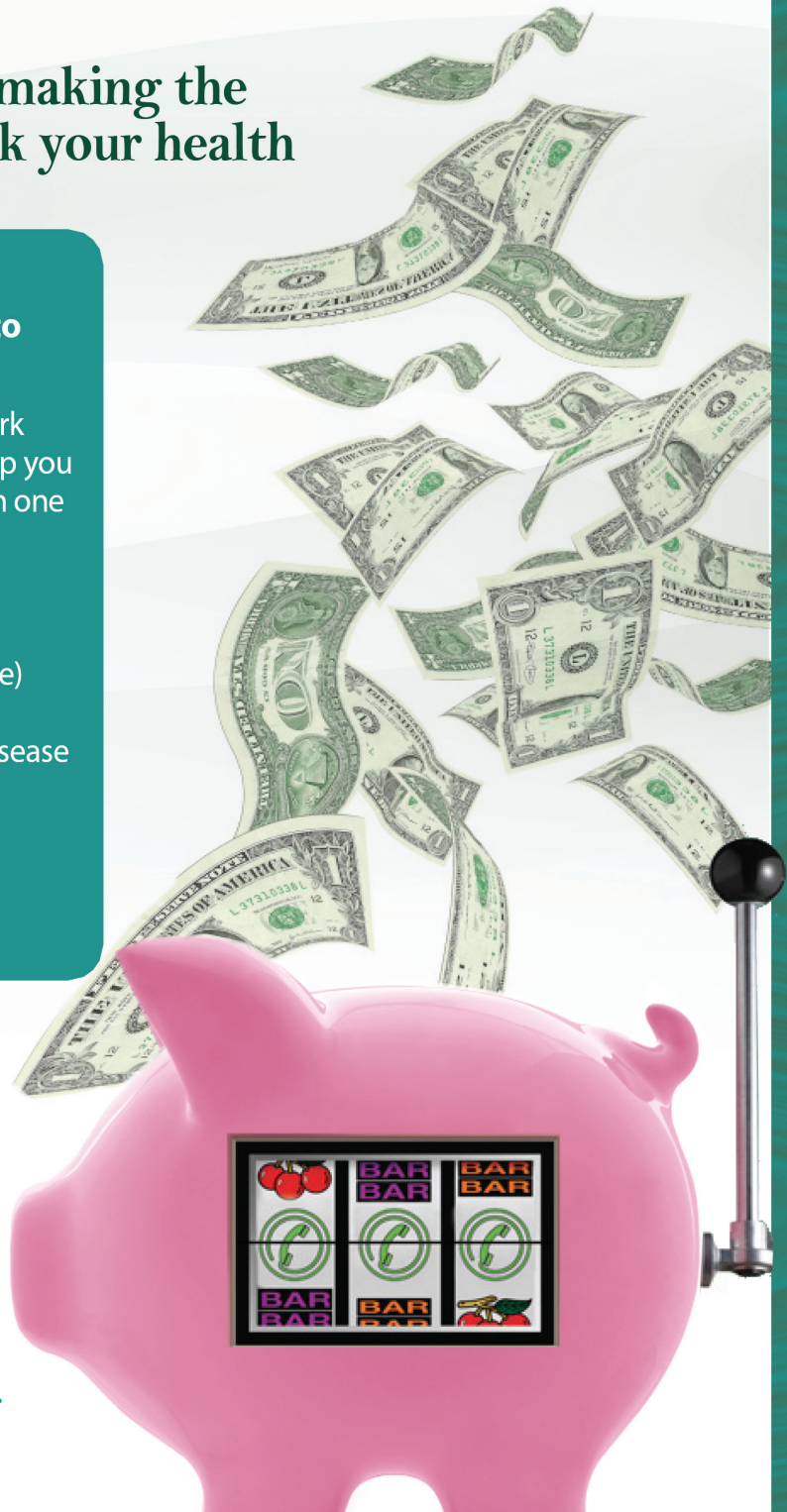
It's your reward for signing up to work with a personal coach, trained to help you manage the challenges of living with one of these chronic conditions.

- ▶ Diabetes (types I and II)
- ▶ Asthma
- ▶ Hypertension (high blood pressure)
- ▶ Coronary artery disease
- ▶ Chronic obstructive pulmonary disease (COPD)
- ▶ Depression
- ▶ Congestive heart failure

Disease management coaching is a Marten Transport, LTD-sponsored benefit, available at no cost to you. But don't delay.

Call 866-494-4502 before May 15, 2012, to cash in.

A healthier future is its own reward.



Good Days

Start with a good night's sleep

In the fall of 2010, Marten Transport implemented sleep apnea screenings to drivers who attended orientation in Tucker and Indianapolis. Since the inception of the program we have seen impressive results, countless success stories and healthier safer drivers!

▶ TIRED OF BEING TIRED?

See what these Marten drivers are doing about it & how it's changing their life

"At first I was skeptical, wondering what kind of scam is this. But now I feel so great! I would like to shake Randy's hand for doing such a great thing for us drivers" - **Robin S.** on program since December 2011

"I love it. I sleep great on it. I use it every night, and during the day when I take naps. If I was told I could be let off of the program I would stay on it. I've never slept so well in years. I love it" - **Mark L.** on program since September 2010

"I don't have any problems sleeping with it. I wear the full face mask which works best for me. I feel rested. I use to get tired during the day and fight myself to stay awake. Since using the device I don't have that problem anymore. I like it." - **Leo A.** on program since November 2010

"I like the equipment. The counselors and support are fantastic. Sleep is such a huge part of your health. I'm 45 and feel 25, and I attribute that all to the CPAP." - **William W.** on program since May 2011.



What are some potential signs of sleep apnea?

- ▶ Snoring loud enough to disturb the sleep of others or yourself
- ▶ Shortness of breath that awakens you from sleep.
- ▶ Intermittent pauses in your breathing during sleep.
- ▶ Excessive daytime drowsiness

While we will continue screening new employees, we are offering it to all drivers in the fleet. If you have concerns or suspicions that you may have sleep apnea and would like to be screened please contact Lori Ott, Safety Manager at x-2164 to set up a screening. **PLEASE NOTE, IF YOU CHOOSE TO DO THIS AND TEST POSITIVE FOR SLEEP APNEA - YOU WILL BE REQUIRED TO COMPLY WITH THE PROGRAM.**

Rolling the Right Direction

Transition to new providers smooth; in-house providers allow huge savings

As you already know we have been busy making the transition to our new providers, UMR and TASC. The transition has been smooth and we are excited about the upcoming year. If you haven't already done so, please follow up on the items below to ensure your benefits are as you had intended.

- Check your payroll detail to confirm you are participating in the items you elected.

- UMR, our benefit administrator is ready to help you if you need assistance. Participants can call customer service at 800-826-9781. Another option is to register online; www.UMR.com then you will have access to view your account activity.

If you haven't already done so please verify your current medical providers are in-network. Remember, there are enormous cost savings to employees and the company by using in-network providers. The

company's average medical in-network discount was 50% for 2011. That said, we still paid over 12 million dollars in medical and prescriptions claims last year. As a self-insured company, Marten solely funds these claims. Imagine, had employees not made an effort to use discounted in-network providers our claims could have skyrocketed to nearly 25 million dollars! Please do your part and continue to use in-network providers ... it does make a difference!

- TASC – our new flexible spending administrator is also ready to serve our members. Once you have activated your card, you can go online to see your account activity; www.tasc.com. To speak to a customer care representative call; 800-422-4661.

As always if you have questions along the way, contact Human Resources. Here's to a Healthy and Happy New Year!

Flexible Spending... There's still time!

If you elected flexible spending in 2011 and still have funds to be used, you have until March 15, 2012 to make your purchase. Flex purchases towards your 2011 balance must be returned to Con-exis.

Contact benefits for paperwork to submit for reimbursement. All applications must be received by June 15, 2012.

▶ 401(k) Corner



Are you taking full advantage of your retirement savings plan opportunities?

In the midst of all the new year's resolutions to better ourselves, how about considering making some financial resolutions to bettering your retirement savings? For the majority of people, 401(k) savings play a vital role in establishing a secure retirement future. Additionally, with lingering doubts if social security will be available when it's time to retire, it's no longer a reliable retirement plan. Planning ahead for retirement can be the difference between living and living well when you reach that point in your life.

Marten offers a 401(k) plan where after one year of service employees are automatically enrolled at 6%, unless employees indicate otherwise. The plan includes a company match of \$0.35 for each dollar you invest, up to 6%. This is free retirement savings from the company! Remember you can choose what the best strategy is for you; defer money pretax in a 401(k) or after tax in a Roth IRA.

Studies show the average 401K participant defers between 5.5% - 7% of their

salary (PSCA.org 2009). As a participant with our plan if you are not deferring at least 6% into the 401(k) plan you are missing out! Take a minute to look at your personal budget. Can you afford to put more into your 401(k)? Whether its \$25 or \$100 per week this added amount will make a difference to your retirement savings down the road. Over the years the money will compound time and time again leaving you with more savings than if you choose to spend the money on day to day immaterial goods!

Deferral changes can be made on a quarterly basis. To make a change for the second quarter, you can go online; www.emjay.gwrs.com or call 888-365-2926 to speak to a representative at EMJAY. Forms can also be found on Sharepoint for non-drivers. Forms must be submitted by March 30th to be effective April 1st.

Better yourself and your retirement savings this year - down the road you will be thankful you did!

◀ EMPLOYEE RECOGNITION

WMCA Honors Smith With Prestigious Award

Babbitt Award given for outstanding contributions to industry and beyond

The following segment was taken from the Wisconsin Motor Carriers Association Annual awards ceremony.

Each year, the Frank W. Babbitt Award is presented on behalf of the association to an individual who has shown outstanding service to the association, the trucking industry and the community.

The Babbitt Award was established in 1977 to recognize service and to encourage a tradition of public and industry service among the Wisconsin Motor Carriers Association.

Our 2011 award winner has been a board member of the WMCA since 2000. He has served on the association's Legislative Affairs Committee, has attended WMCA Legislative Days in Madison and has attended the association's Call on Washington. He has supported the association's legislative priorities and has held numerous tours of his

company's facilities for public office holders and for candidates for public office. He has supported the association's political action committee and the WMCA conduit. His company has also been active in the safety council and a staunch supporter of the President's Safe Driver Club. He has had numerous drivers named as WMCA Drivers of the Month and he and a large contingent of his company attend the WMCA Safety Award Banquet every year.

Our award winner is a true gentleman. He is a fairly quiet man, who is sincere and professional. It is appropriate to honor someone who has been very supportive of the association's political affairs, but also its commitment to safety.

The 2011 Babbitt Award Winner is Robert Smith from Marten Transport.

Congratulations Bob, we are proud to have you on our team!



Marten's Bob Smith accepts the Frank W. Babbitt Award for 2011, given by the WMCA to a member who has demonstrated outstanding service to the industry, the association and the community.

A Helping Hand in Time of Need

Marten joins together to donate to "Feed My People Food Bank"



As part of the holiday celebration and in the spirit of giving, Marten Transport employees at the Mondovi headquarters held a fundraiser for the Feed My People Food Bank.

This great organization is located in Eau Claire and serves 14 counties in Western Wisconsin. In response to the fundraising efforts, Marten Transport committed to triple whatever amount their employees raised.

In the past years, company employees contributed donations of canned goods and other non-perishable food

items. This year employees were encouraged to donate cash due to the food bank's purchasing power. Fundraising for the food bank kicked off December 1st and ended on December 15th.

In all, employees contributed \$2,166, with the company proudly contributing another \$4,246 for a total donation to Feed My People of \$6,412.

Dave Parrett, Director of Marten's Brokerage Division, delivered the check to Emily Moore, Executive Director of the Feed My People Food Bank in Eau Claire on Dec. 16 (pictured at left).

Company Bids Farewell to Two Million Milers

Larell A. Behunin and **Craig Cooper** have retired from over the road driving after long and distinguished careers with Marten Transport. Behunin, from Salt Lake City, Utah, was hired on New Years Eve of 1992 and retired on November 7 after nearly two decades of driving for the company. He was inducted into the Million Mile Club in 2003. Cooper, who is from Fort Worth, TX, joined the company on July 21, 1994 and retired on October 11 of 2011. Cooper was a 2007 Million Mile Club inductee.

Congratulations and Best Wishes Larell and Craig from all of us at Marten.

Employee Communication

We appreciate your honesty. Please use this form for comments, complaints, or suggestions. Your input helps make Marten the best possible workplace for all employees. Drivers may submit this form in a Trip Pak envelope, ATTN: HR - to be routed to the appropriate department for a response. Office and terminal employees should submit to HR for departmental routing. Please include your comments, your name and driver number. Thank You.

COMMENTS:

Driver Name: _____ **Driver Number:** _____

Marten Transport, Ltd.
129 Marten Street
Mondovi, WI 54755

◀ D R I V E R R E C O G N I T I O N

Driver's of the Month

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

► **OCTOBER HONOREES**

Randy Anderson, Stanley Pobol, Jeff Claggert, James Piker, Georgios Champeris, William Green, Robert Butcher, Ramon Gonzalez, Smain Bouamrane, David Himes, Greg Mosier, Larry Gibson, John C. Ard, Jr., Earl Lee, Mike Tollefson, Michael Grotheer, Joe Olivarez, Mark Marion, Mike Lang, Wesley Baggett, Joseph Jessie, James Wooten, Randall Anderegg, Cedric Francis, Leroy Wilson, Steve Farris, Carl Lewis, Alex Gatica, John Dunn, Jeffrey Barefield, Wally Moore, Johnny Simmons.

► **NOVEMBER HONOREES**

Max Miller, Thomas Holloway, Ralph Goins, William Walsh, Bill Carter, Richard Raby, Mark Lowthorp, Douglas Brown, Michael Nelson, Harjan Sloots, Doug Hale, Kevin Gray, Matthew McDaniel, Joe Shelby, Alberto Arce-Rodriguez, Jeffery Wright, Robert Rogers, James Zanda, Hassan Moshefi, Curtis Webb, Ken Boggs, Travis Yates.

► **DECEMBER HONOREES**

James Burton, Thompson Burton, Charles Franklin, John Rufe, Jose Vasquez, Scott Wittmer, Bert Inman, Robert Butcher, John White, Aaron Jones, Ray Evans, Abdelouahed Ennaqori, Kenneth Thede, James Fowler, Bobby Zellars, Brian Fell, Dana John Pouridas, Rich Ramirez, Douane Wang, Alexander Casillas, Guy Kane, William Wentz, Scott Tyrrell, Jeff Jackson, Charles Weaver, Jim Reed, Michael Back, John Cunningham, Greg Houpp, Robert Laverne, Bryant Oliphant, Michael Griffin.