

Diversification Throughout 2008: So . . .What's Next?

DIVERSIFICATION THROUGHOUT 2008

**Highway
Transport
Logistics, Inc.**

Greg Watkins
Chief Operations Officer

**Highway
Transport
Chemical, LLC**

Gary Reagan, President

**Highway
Transport
Petroleum, LLC**

John Wilson, President

As most everyone knows by now, we are experiencing a period of expansion that requires us to diversify each division into its own stand-alone company. Highway Transport has always maintained a degree of separate chemical and petroleum operations within the company, so this new structure is a natural transition.

You have been provided some frequently asked questions and answers about the re-structure process. You may have already read through some of these when the company officially announced the new structure a few weeks ago. For many of us, the biggest questions remaining are, "What do I have to do?" and "What's going to happen next?"

The next step as we diversify into different companies is to sign forms. As a result of this diversification/reorganization, there will be new companies led by new officers. To make the process complete, every employee will be offered a "consent to transfer files" form to sign.

Employees and Company Drivers:

Your manager will provide you with the form, which looks like the one to the right:

Your manager will fill in the blanks on this portion of the form.

This is the area where you may sign your name, print your name and date the form; Then, you return it to your manager.

**NOTICE OF RESTRUCTURING AND
CONSENT TO TRANSFER OF PERSONNEL FILES**

Notice:
As a result of a restructuring of our operations, you will experience a change in employment effective _____ 2008. On that date, your employment with Highway Transport, Inc. (Highway Transport) will officially end and you will immediately become eligible for employment with _____, a stand-alone company. You may facilitate this process by signing below, indicating your consent to the transfer of your Highway Transport employment-related information to _____ for consideration and use by _____ in the hiring process and beyond.

Consent:
I hereby give my consent to Highway Transport to provide all of my employment-related information to _____ I understand that this information includes, but is not limited to personnel files, qualification files, medical files, and any other information regarding my employment with Highway Transport. I further understand that _____ will use this information for purposes of its consideration of an offer of employment and of employment-related files thereafter.

Print Name

Date

Contractors:

Your driver manager will provide you with a 3-page form entitled "assignment of equipment lease and operating contract."

ASSIGNMENT OF EQUIPMENT LEASE AND OPERATING CONTRACT

This Assignment of Equipment Lease and Operating Contract Agreement dated _____ 2008 ("Effective Date") between the Assignor and Assignee ("Contractor") is entered into by and between _____ ("Assignor"), a Florida corporation, whose address is 6420 Haines Drive, Knoxville, Tennessee 37919 ("Assignor"), and Highway Transport Chemical, LLC, a Tennessee limited liability company, whose address is 6420 Haines Drive, Knoxville, Tennessee 37919 ("Assignee").

INTENT/PURPOSE STATEMENTS

A. The Contractor and the Assignor entered into an Owner-Operator Lease Agreement dated _____ 2008, in and under the Lease, with respect to certain transportation services to be provided by Contractor to Assignor as more particularly described in the Lease.

B. That Assignor desires to assign its interest in the Lease to Assignee under the terms and conditions set forth in this Assignment.

NOW, THEREFORE, the parties agree as follows:

Assignment. As of the Effective Date, Assignor assigns to Assignee all of Assignor's right, title, and interest in, to and under the Lease. Assignor further assigns to Assignee, with Contractor's consent, the Contractor's now deposit in the amount of _____ Dollars (\$ _____) held by the Assignor (the "Security Deposit"). As a result of this Assignment, Assignor shall have no further liability or responsibility to the Contractor subsequent to the Effective Date.

2. **Acceptance by Assignee.** Assignee accepts the Assignment and all rights and obligations accruing to it under the Lease and assumes and agrees to make all payments and keep and perform all covenants and obligations of the Assignor under the Lease from and after the Effective Date.

3. **Representations and Warranties of Assignor.** Assignor represents and warrants to Assignee that: (a) the Lease is in full force and effect; (b) Assignor has performed all of its obligations up to the Effective Date and no default or event of default exists under the Lease as of the Effective Date; and (c) Assignor has the full right and power to execute and deliver this Assignment.

4. **Release.** By executing this Assignment and Assignor is released from any and all obligations under the Lease from and after the Effective Date.

5. **Acceptance and Consent of Contractor.** Contractor accepts and consents to this Assignment and acknowledges that all of Assignor's rights under the Lease shall inure to the benefit of Assignee from and after the Effective Date, including all rights accruing under the Lease with regard to administration of the Security Deposit.

7. **Assignment to Lease.** This Assignment shall constitute an amendment to the Lease, and the provisions hereof shall be deemed incorporated into the Lease. If there is any conflict between this Assignment and the Lease, this Assignment shall govern.

The parties have executed this Assignment as of the Effective Date.

ASSIGNOR:
HIGHWAY TRANSPORT, INC.

Greg Watkins, President and CEO
Date: _____

ASSIGNEE:
HIGHWAY TRANSPORT CHEMICAL, LLC

Gary Reagan, President
Date: _____

CONTRACTOR:
By _____
Name _____
Date: _____

You and your driver manager can work together to fill in the blanks on the first two pages.

Contractor represents to the Lease is in full force of its obligations up to the date it exists under the Lease (the full right and power to execute and deliver this Assignment).

This is the area where you may sign your name, print your name and date the form; Then, you return it to your driver manager.

Everyone:

Thank you in advance for your timely response to filling out the proper form. We appreciate the opportunity to have you as an employee. If there are any questions, please feel free to contact your manager.

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- Purpose -

To keep employees and contractors informed about company policy and industry developments, and to recognize significant industry and community contributions by these employees and contractors and their immediate family members.

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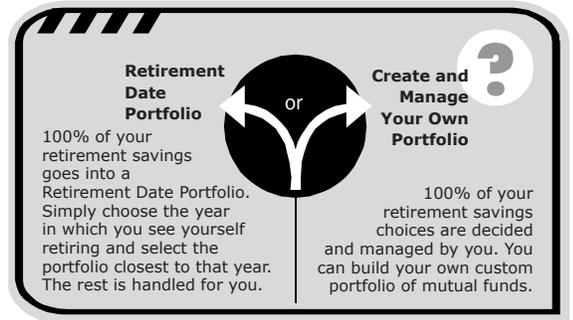
NEW: Retirement Date Portfolios and Changes to Mutual Fund Choices

Ever wonder if you're doing the right thing? You are not alone. Consider starting a Retirement Date Portfolio

Most individuals have neither the time nor the inclination to invest their money properly. They would prefer to have their balance managed by a professional investment advisor, and they are looking for help. We are pleased to introduce a new investment service in our 401(k) plan called "Retirement Date Portfolios." What are Retirement Date Portfolios? Quite simply, they are pre-mixed investment portfolios created by our plan's independent investment advisor (Investment Research and Advisory Group, Inc.) using the funds available through our Employees Investment Savings Plan.

Retirement Date Portfolios are for participants who prefer to let an investment professional shoulder the investment responsibility. These portfolios have been designed with a specific retirement date in mind. Simply choose the year in which you see yourself retiring and select the portfolio closest to that year. The rest is handled for you. As you get closer to your retirement year, your portfolio becomes more conservative. It doesn't get any easier than that.

You may select a Retirement Date Portfolio or build your own custom portfolio of mutual funds. However, the Retirement Date Portfolio requires that you invest 100% of your balance and new contributions be invested in the portfolio. You may not put a portion of your balance into a Retirement Date Portfolio and select other individual mutual funds.



The Watkins Associated Industries' 401(k) is scheduled to have new mutual funds in place on June 26, 2008

If you are currently participating, you may transfer between the new funds (listed to the right) or select a Retirement Date Portfolio and have your account automatically diversified and rebalanced. Highway's 401(k) program is managed by a company named "The 401K Company." All investment selections should be made directly with *The 401K Company* either by telephone or the Internet. No paper forms will be accepted. Log in to the website at www.401kaccess.com/watkins (account number or web ID and web password required). You also have the option of calling toll free at **1-800-777-4015**.

Current Investment Options:	New Mutual Funds:
Income Fund	Custom Stable Value
Balanced Fund Value*	40% PIMCO Total Return 60% Eaton Vance Large Cap Value
Balanced Fund Growth*	40% PIMCO Total Return 60% Vanguard PRIMECAP Core
Large Cap Value Fund	Eaton Vance Large Cap Value
Core Equity Fund	Vanguard Institutional Index
S&P 500 Index Fund	Vanguard Institutional Index
Large Cap Growth Fund	Vanguard PRIMECAP Core
Aggressive Equity**	50% Columbia Mid Cap Index 50% Aston/Optimum Mid Cap
International Equity	50% Dodge & Cox International 50% Masters' Select International

Highway Transport Quarterly Financial Summary

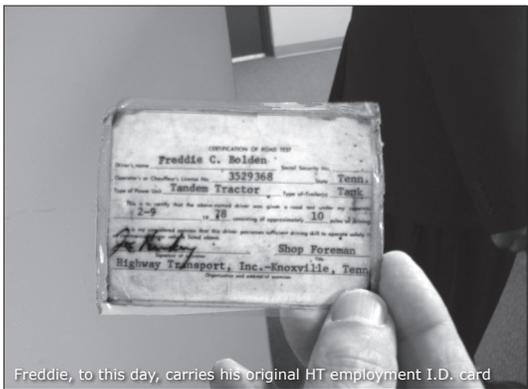
FIRST QUARTER 2008

Area	Revenue	Operating Ratio
Chemical	\$9,671,558	101.2%
Petroleum	\$833,467	107.3%
Logistics	\$997,140	89.6%
<i>Total Company</i>	<i>\$11,502,165</i>	<i>100.7%</i>

Freddie Bolden 20-year Celebration



Freddie (left) with his neighbor Doug



Freddie, to this day, carries his original HT employment I.D. card

April 16, 2008 | Fellow drivers and colleagues gathered in celebration at the Knoxville trucking terminal to show their appreciation for Freddie Bolden.

Gary Reagan presented the engraved Rolex Oyster watch to Freddie who commented, "I would never consider working anywhere else. When I am out on the road I am in contact with a lot of other companies, and it makes me appreciate the good group of people we have here at Highway. This is a good group, and we've always gotten along."



Freddie is based out of the Knoxville terminal, and resides in nearby Dandridge, TN, a community 40 miles east of Knoxville. On the day of Freddie's twenty-year ceremony, Freddie brought along his young friend and neighbor named Doug. Freddie refers to Doug as "my ad-

opted son." When Freddie is not on the road, he can be found with Doug fixing up cars. On the day of the celebration, Freddie rode to the terminal with Doug who had just closed the deal on purchasing a 1988 Mustang.

When asked about his career as a chemical tanker driver, Freddie replies, "I've always enjoyed being a driver, and it actually ties into another hobby of mine, which is collecting rocks. Trucking has enabled me to not only do my work, but also travel to some interesting mineral shows and collect rock specimens from across the country."

Logistics Manager Doug Atchley says, "Freddie has always been an outstanding driver for this company. He's also an interesting person with a knack for mechanical projects. One time, he built a dune buggy and brought it to work and let me drive it up the street. Many years back, Freddie came off the road with several extra pieces of metal, and I asked him, 'what are all of those metal pieces?' Freddie replied 'it's all the components I need to build my own windmill.' We all had a good laugh, but you know what?" Freddie finishes Atchley's statement, "I built that windmill, and it is still on my property." Atchley adds, "Freddie decorates the windmill with Christmas lights each year during the holidays. Like I said, Freddie is an amazing guy."



This flag, which we honor and under which we serve, is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation. The choices are ours. It floats in majestic silence above the hosts that execute those choices, whether in peace or in war. And yet, though silent, it speaks to us — speaks to us of the past, or the men and women who went before us, and of the records they wrote upon it.

President Woodrow Wilson, 1917

The Highway Branding Process

reported by Greg Watkins, Chief Operations Officer
Highway Transport Logistics, Inc.

Each of the companies that are part of Watkins Associated Industries will be participating in a new process referred to as "branding." Sunco recently completed the steps toward a new look and feel. Their name was adjusted slightly. Instead of "Sunco Carriers," their name is now simply "Sunco."

As you know, Highway's company brand is more than just a name or a logo. For over 60 years now, Highway's brand has been what describes the lifelong relationship we have with our customers. To many, our name and company image brings to mind concepts such as "quality" and "family" and "superior service." After our branding process is complete, you will begin to see upgrades and improvements in our overall image. You may notice the graphics on our trucks and signs will be more consistent. You will see an updated logo. You will notice that our colors and images have a more standardized appearance. For example, the ink on our letterhead will be the same color that is used in the embroidery thread on a hat or a shirt.

The company that is responsible for guiding us through the branding and identity process is named "Madden". Madden is headquartered in Lakeland, Florida near the headquarters of Watkins Associated Industries. The company is named for its company founder Steve Madden. The main branding team for Highway is comprised of the following:

- Steve Madden, V.P. of Sales
- Allen Reed, Creative Director
- Ashley Gilley, Regional Account Manager

You can view their website at www.brandhigh.com

Many of you have already had the opportunity to speak one-on-one with the branding experts of Madden. Madden has taken WAI through the branding process. Sunco has recently been through the branding process. Highway companies will continue with new identity and branding throughout the summer, and next WAI company to go through the process will be LandSpan.

Because of our recent reorganization into separate business entities, the timing is just right for all Highway businesses to undergo an updated image. This will be an exciting time for all of us. We are excited about coordinating with the group at Madden as we move forward.

Birthdays

April - June, 2008

Bensalem

Tim Brock

Charlotte

Andy Sipe

Chattanooga

Richard Auerswald
David Coleman
Charles Darr
Joseph Davis
Shaleece Pillow
Garry Randolph
Felton Salmon
Nathan Warren

Chicago

Joseph Ashton, Jr.
Khader Jabra
William Nelson

Lavell Person
Dennis Resetar
Andrew Sims
Douglas Smith
Nathaniel Wilkerson
Oscar Yearwood

Florence

Terry Montgomery
Kevin Pugh
Darth Walker

Garland

Darrell Hall
Michael Melvin
John Moore
Shelby Patterson
Anthony Tomlinson
Kenny White

Hebron

Will Gleckler

Joliet

Brian Bahr

Kankakee

David Dudley
Danniel Timm
Sharon Welge

Knoxville

Arthur Beckett, Jr.
Donnie Blakely
Ronald Cravens
Randal Crocker
Wyatt Dockery
Steve Fortner
Paul Garbett
Christy Graves

David Groover
Kristopher Huffaker
Willie Kinley
Adam Kennedy
James Kite
Rick Lusby
Roy McGregor
Bill Moyers
James Nicley
Toby Patterson
Brian Reid
Dewayne Rudd
Michael Stropp
Doug Vineyard
Taurean Williams
Dennis Williams

LaPorte

Enrique Acosta
Conrado Alvarado

Antonio Arsuaga III
Rogelio Barajas
Ronald Cherry, Jr.
Clifford Coleman
Ronald Crawford
John Dees
James Forehand
Walter Gamble
Reynaldo Gonzalez
Fortinio Guzman
Terrell Hayner
Douglas Jones
Sammy Kuhl
Robert Lilly
Jonathan Lockstein
Craig Longenecker
Jeffrey Longenecker
Sylvester Parker
Merly Pleasants
Rodney Rogers

Vernon Staten
Edwin Tice III
Vasilij Yasynev

McDonough

Michael Samuel
Tyrus Taylor
Michael Thomas

Nashville

Burnes Bailey
Judy Booton
Terrance Bryant
Donald Harper
Ronald Myers
Mark Shook
Matthew Smith
Russell Smith, Jr.

correction: In the last issue of Highway Highlights, we neglected to include the birthday of Kelley LeRoy

Shop Safety



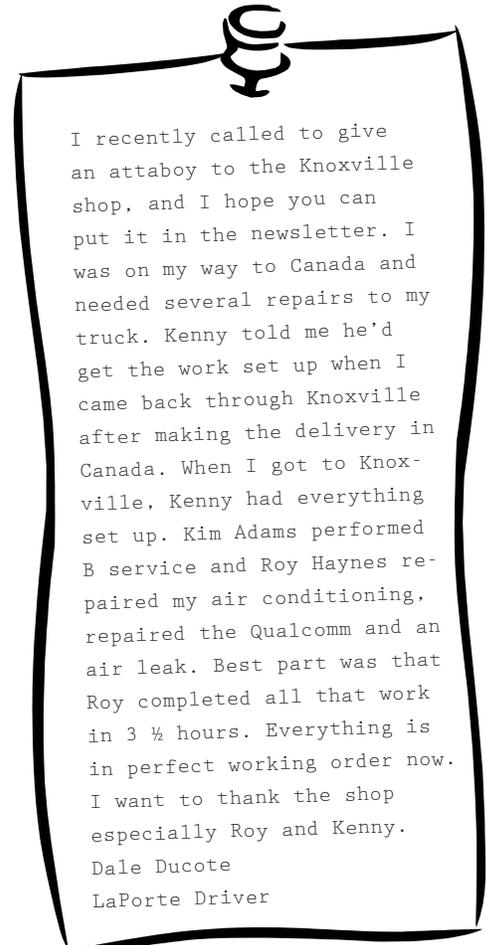
Larry Edwards (Director of Maintenance, Tank Wash, and Environmental) always has his eye on shop employees who work safely and efficiently.

The pictures to the left were submitted by Rick Lusby, Knoxville Terminal Manager. The pictures represent the shifts at the Knoxville terminal who recently received safety bonus checks.

"Shop safety requires every bit as much attention as on-the-road safety. Many people don't

realize that one of our most important functions of our safety program relates to the bottom line of this company. How well we do as a business is directly correlated with shop safety," says Edwards, "The bonus program saves money overall and helps us in other areas like driver retention. Drivers appreciate the efficiency and quality of our shops."

above 2nd shift: Doug Vineyard, Darrell Jackson, Zach Henry, and J.T. Smith **left** 1st and 3rd shift shop and tank wash: Willis Haun, Wayne Coward, Jerry Nicely, Robert Graham, Kim Adams, Roy Haynes, Martin Robach, and Billy Lively



I recently called to give an attaboy to the Knoxville shop, and I hope you can put it in the newsletter. I was on my way to Canada and needed several repairs to my truck. Kenny told me he'd get the work set up when I came back through Knoxville after making the delivery in Canada. When I got to Knoxville, Kenny had everything set up. Kim Adams performed B service and Roy Haynes repaired my air conditioning, repaired the Qualcomm and an air leak. Best part was that Roy completed all that work in 3 1/2 hours. Everything is in perfect working order now. I want to thank the shop especially Roy and Kenny.
Dale Ducote
LaPorte Driver

Personnel & Personal



Holly and Adam Kennedy

Newlyweds . . .

- Driver Manager **Adam Kennedy** married Holly Fritsch on April 29, 2008 in Hawaii. Before the wedding, Adam's colleagues held an engagement party and presented the couple with a special cake which read, "Congratulations Adam. Sorry Holly"
- Nashville petroleum driver **William Delancey** and Martha Mae Hillis were married on April 16, 2008.
- Settlements Supervisor **Cristi Owen** married Brett Johnson on May 16, 2008 at the Hyatt Regency Resort in Aruba.



above: Cristi and Brett Johnson with their son Brayden. right: Cristi and Brett's beachside ceremony.

Ed Noga's 20-year Celebration



Gary Reagan (right) presents watch to Ed Noga

April 30, 2008 | Gary Reagan presented the engraved Rolex Oyster watch to system driver Ed Noga who said, "If I had it to do all over again, I certainly would."



Andy Schultz and Ed Noga

Andy Schultz added, "Ed has been a dependable driver for us for many years. He is quite an asset to this company, and his level of service has been outstanding."

Ed was routed through the Knoxville terminal to receive his watch and then take a load to Pennsylvania, then onward to Chicago. Ed is originally from Canada, and he sometimes is able to take the opportunity to touch base with family members when he is trucking in the northernmost portion of the United States. However, he has a home in Florida, and added "since I have a place in Florida, most of the Canadian family wants to come and visit at my location."

When asked about his home time, Ed replies, "I am located about 8 miles inland from the coast, so I like to fish. I have this one pier I like fish that goes way out into the ocean, so my catch is usually pretty good."



Jerry Noland serves as Ed Noga's driver manager. Both Ed and Jerry smile at each other as Jerry comments, "I guess all you can say is we love to hate each other. Ed is not always 100 percent pleased with the loads I book for him, but no matter which loads I allocate to Ed, he has good log books, no spills, and our safety department loves him."

Personnel Changes . . .

- McDonough Logistics Manager Brenda Skoda welcomes the following new McDonough drivers: **Robert Harden, Brian Carter, and Martin Brown**

right: new hire Robert Harden with trainer Michael Thomas (right)



right: new hire Brian Carter with trainer Michael Thomas



- Following an internal and external search, **Wayne Fernandes** has been promoted to the position of LaPorte General Services Manager effective March 10, 2008.

He has been employed with Highway since September 2005 as a mechanic at our LaPorte terminal.

New Arrivals . . .

- Florence operations supervisor **Kevin Pugh** announces the birth of his son, Spencer Robert Pugh, 8lbs. 8oz., 21^{1/4}" in length, 6:10AM on June 2, 2008.



Deepest Sympathies . . .

- Chattanooga Terminal Manager **Nathan Warren's** brother-in-law passed away on March 3, 2008.
- Recruiter **Gary Miller's** father passed away on April 1, 2008.

Service Anniversaries

April - June, 2008

34 Years

Mary Zachary,
Rating Specialist

30 Years

Linda Nelson,
Executive Assistant

25 Years

Larry Edwards,
Director of
Maintenance,
Tank Cleaning
& Environment

23 Years

Steve Fortner,
VP Finance
& Administration
Laurie Porterfield,
Payroll Specialist

22 Years

Joseph Pence,
Rating Specialist

20 Years

Ed Noga,
Chattanooga Driver
John Wilson,
President,
Highway Transport
Petroleum, LLC

19 Years

James McCue,
LaPorte Driver
Andrew Schultz,
Director of
Operations

18 Years

Willis Haun,
Knoxville Mechanic

16 Years

Billy Lively,
Knoxville Mechanic
Jerry Searce
Knoxville Driver
Supervisor

13 Years

James Raines,
Florence
Contractor
Douglas Westgate,
Knoxville Driver

10 Years

Thomas Freeland,
Knoxville Driver

9 Years

Rodney Bauer,
Hebron Driver
Sherry Hitson,
Accounts Payable
Specialist
Larry Keeter,
LaPorte Contractor

8 Years

Charles Hall,
Petroleum Driver
Debra Lineberger,
Charlotte Terminal
Manager
Ken Rutherford,
Knoxville
Contractor
Douglas Davis,
Knoxville Driver

7 Years

Steve Kitts,
Southeast Regional
Sales Manager
Bob Nettles,
Columbus Driver

David Niven,
Chicago Terminal
Manager

Rick Salmon,
Knoxville Contractor
Phyllis Washam,
Maintenance
Administrative
Assistant

6 Years

Doug Atchley,
Logistics Supervisor
Brian Bahr,
Chicago Driver
Joseph Macon,
Knoxville Contractor
Samuel Stewart,
Knoxville Contractor
Ryan Thomas,
Chicago Driver

5 Years

Ronald Crawford
LaPorte Driver
Reynaldo Gonzalez,
LaPorte Driver
Sam Kuhl,
LaPorte Driver
Jerry Nicely,
Knoxville
Tank Cleaner
Lamon Sparks,
Knoxville Contractor
Brian Vinson,
Knoxville Driver

4 Years

Martin Conley,
LaPorte Contractor
David Harris,
LaPorte Contractor
Alvin Jennings,
Chicago
Driver

Arthur Sorensen,
Nashville Driver

3 Years

Mark Dickens,
LaPote Tank Cleaner
Driver
Paul Garbett,
Knoxville Petroleum
Driver
John Lewis,
Charlotte Driver
Thomas Lotz,
Chicago General
Service Manager
Kenneth Scheeler,
Knoxville Petroleum
Driver
David Smith,
Knoxville Driver
Timothy Smith,
Chicago Driver
David Spence,
LaPorte Driver
Jerry Szmuc,
Logistics Supervisor
Nathan Warren,
Chattanooga
Terminal Manager

2 Years

Henry Bennett,
Garland Driver
Eric Doyle,
LaPorte Driver
Wendy Drummer,
Communications
Specialist
James Forehand,
LaPorte Driver
Kenneth Ghea,
Chicago Driver
Fortino Guzman,
LaPorte Mechanic
Darrell Hamilton,
LaPorte Driver

Jeff Longenecker,
LaPorte Driver
Gilbert Martinez,
LaPorte Driver
Daryl McClenton,
LaPorte Driver
Supervisor
Paul Noe,
Director of IT
Scott Nussbaum,
Chattanooga Driver
Cristi Johnson,
Settlements
Supervisor
Shelby Patterson,
Garland Driver
Kevin Ray,
Chattanooga Driver
Marcus Richards
Building and Grounds
Maintenance
Russell Smith, Jr.,
Nashville
Petroleum
Driver
Richard Wilson,
Charlotte Driver
Elvis Webb,
Garland Driver

1 Year

Elton Bazile,
LaPorte Driver
Justin Black,
Florence Tank
Cleaner
David Breedlove,
Knoxville Mechanic
Terry Broadwater,
Petroleum Driver
Eric Chenoweth,
LaPorte Mechanic
Cecil Craig,
Garland Driver

Charles Craddock,
Garland Driver
John Dees,
LaPorte Driver
Elizabeth Dick,
Finance
Administrative
Assistant
Eric Doyle,
LaPorte Driver
Aaron Estep,
Knoxville Petroleum
Driver
Timothy Farmer,
Knoxville Contractor
Zachariah Henry,
Knoxville Tank
Cleaner
George Hensley,
Chattanooga Driver
Michelle Kleikamp
Customer Service
Manager
Craig Longenecker,
LaPorte
Tank Cleaner
Daniel Longenecker,
LaPorte
Tank Cleaner
Thomas Mathis,
LaPorte Driver
Isaac Phipps,
Chicago Mechanic
Robert Plummer,
Chicago Driver
Martin Robach
Knoxville Tank
Cleaner
Andy Sipe,
Charlotte Operations
Supervisor
Kenny White
Garland Driver

correction: In the last issue of Highway High-lights, Joseph Macon was listed uner 5 years of service. Joseph has 6 years of service.

subj: Commendation from Hexion regarding Garnet Josey during a Durcon Labs delivery:



Just wanted to let the Hexion Company know about how we enjoyed the services, manners, cooperation and conversation with Mr. Garnet Josey this past Friday afternoon. Second shift was not scheduled to work so we waited for the delivery, which came in around 2:45 pm. This was Garnet's first visit on transporting material to our plant. We hope to see him more often and wished there were other drivers like him in the business.

Driver Safety Awards

submitted by Scott Ennen, Vice President of Safety and Quality

I am always striving to help our companies retain safety-conscious drivers. It is a moment of great pride for all employees when we acknowledge a large group of drivers who represent a successful record of safety. Safe drivers are our most crucial asset. We appreciate their loyalty to the company. I, personally, am very proud of their commitment to safe driving.



Knoxville Driver Toby Patterson, three year safe driving award



Petroleum Driver Charles Hall receives the Three Year Safe Driving Award, which was presented to him by John Wilson, President, Highway Transport Petroleum, LLC.



Kankakee Driver Dan Molk, three year safe driving award.



Kankakee Driver Kelly Wyatt, three year safe driving award



McDonough Driver Darrin Holloway, Certificate of Excellence



LaPorte Driver Enrique Acosta (left) is presented the three year safe driving award by Driver Manager Daryl McClenton



Ron Cherry, three year safe driving award



LaPorte Driver Kenneth Tyler, three year safe driving award



LaPorte Driver Garnet Josey, three year safe driving award



Jimmy Wood (left), pictured with Driver Manager Jerry Scarce. Three year safe driving award



Kankakee Driver Daniel Timm, one year safe driving award



McDonough Driver Trainer Michael Thomas, 1st Period Driver of the Month Award



Jim Raines received a diamond for his belt buckle, which is the eleven year safe driving award

John Wilson Celebrates 20 Years

May 15, 2008 | John Wilson, who is now the president of Highway Transport Petroleum, LLC, celebrated his 20-year milestone by attending a finance meeting at the Baum Drive location.

After the meeting came to a close, Wilson came downstairs where he was applauded by a large crowd of colleagues who had gathered at the base of the stairs. Greg Watkins presented the Rolex watch to John Wilson saying, "This is a watch made of precious and highly valued materials, but what is of real value here is what this watch represents. This is a token from all of us to show our appreciation for you and how much we value you and what you've done for this company over the last 20 years."

John replied, "First of all, I want to thank the Watkins family. I really appreciate all the opportunities they have given me. All in all, this is a really darn good place to work. My wife Shirley is not here today, but I want to thank her, because she is the one who listened to me all these years when I came home and talked about work. Believe me, Shirley knows more than she ever wanted to know about our software, about operations, and about all the good folks I've worked with through the years. She has heard it all, I appreciate her for that."

Cake was served along with John's favorite ice cream, butter pecan. The cake reception meant, of course, that everyone was treated to dessert first before breaking for lunch. Greg and Chip Watkins took John Wilson out to lunch.



John Wilson is presented the Rolex watch by Greg Watkins (right)



John Wilson



Carra Eggers (right) planned John's celebration and made sure John received his favorite ice cream flavor, butter pecan.

Driver Excellence Awards periods 1 - 3, 2008

Period 1

Omar Bardales,
LaPorte Contractor
James Byrd,
Chattanooga
Driver
Randy Layton
Garland Driver
Joe Macon,
Knoxville Contractor
Fred Patrick,
Florence/Hebron
Driver
Mike Pittman,
LaPorte Driver
Robert Randalls,
Kankakee Driver
Robert Royal,
Charlotte Driver

Rick Salmon,
Chattanooga
Contractor
Douglas Smith,
Chicago Driver
Eddie Sonier,
LaPorte Driver
Michael Thomas,
McDonough
Driver
Brian Vinson,
Knoxville Driver

Period 2

Conrado Alvarado,
LaPorte Contractor
Richard Auerswald,
Chattanooga
Contractor

Art Beckett,
Knoxville
Driver
Jerry Burleson,
Charlotte
Contractor
Tim Farmer,
Knoxville
Contractor
Robert Franks,
Garland Driver
Will Gleckler,
Florence/Hebron
Driver
Darrell Hamilton,
LaPorte Driver
Darrin Holloway,
McDonough
Driver

Robert Plummer,
Chicago Driver
Duane Reginer,
Kankakee Driver
Dick Royer,
Bensalem Driver
Lydell Summerville,
Chattanooga Driver
Ken Tyler,
LaPorte Driver

Period 3

Dennis Durbin,
LaPorte Contractor
Joe Flood,
LaPorte Driver
Ernest Holloway,
McDonough
Driver

Keith Idle,
Bensalem Driver
Roger Kiser,
Charlotte Driver
Grover Layman,
Chattanooga
Contractor
Dan Molk,
Kankakee Driver
John Perkins,
Florence/Hebron
Driver

Ken Rutherford,
Knoxville
Contractor
Wilbert Sneed,
LaPorte Driver
Mark Stucky,
Garland Driver

Ira David Triplett,
Knoxville Driver
Travis Vanderweide,
Chattanooga
Driver
Nate Wilkerson,
Chicago Driver

Florence Terminal's Team Approach to Weight Loss

reported by Chris Jenkins, Florence Terminal Manager



Here are the final results. Jim Doan (left) won the golden scale. He lost a whopping 29.5 lbs, which was 13.37% of his body weight. Second place was tight between Chuck Tincher and myself, but I was second with 25.5 lbs., which was 10%. Chuck ended up losing 19.5 lbs. which was 9.65%.

In an effort to lose weight, employees at Highway's Florence terminal voluntarily formed their own weight loss team that incorporated many of the same principles as the NBC show entitled *The Biggest Loser*.

The Florence competition lasted a total of 13 weeks. At the end of the 13 weeks, Jim Doan was the person who lost the most body weight by percentage and was declared the winner.

Who Has Been Hindering Your Growth?

reported by Debra Lineberger, Charlotte Terminal Manager

I received this from a friend and thought it might be of interest to put in the newsletter. It is a powerful message. Sure did get my attention.

One day all employees reached the office and saw a big sign on the door on which was written:

"Yesterday the person who has been hindering your growth in this company passed away. We invite you to join the funeral in the room that has been prepared in the gym."

In the beginning, they all got sad for the death of one of their colleagues but after a while they started getting curious to know who was the person that hindered their growth. The excitement in the gym was such that security agents were ordered to control the crowd within the room.

The more people reached the coffin, the more the excitement heated up. Everyone thought, 'Who is this person that was hindering my progress? Well, at least he died!' One by one the thrilled employees got closer to the coffin, and when they looked inside, they suddenly became speechless. They stood near the coffin, shocked and in silence, as if someone had touched the deepest part of their soul. There was a mirror inside the coffin... everyone who looked in could see themselves. There was also a sign next to the mirror that read:

"There is only one person who is capable to set limits to your growth, it is YOU!!! Your life does not change when your boss changes, when your friends change, when your parents change, when your partner changes, when your company changes. Your life changes when YOU change, when you go beyond your limiting beliefs."

Speak Up! & Contractor's Corner



Speak Up! We have an Open Door Policy here at all companies. You are always encouraged to write your suggestions, questions, ideas, and comments onto Speak Up! cards. Mail your card, and it goes directly to the Watkins family. Also feel free to

contact the employee hotline anytime at 1-888-924-4968.

Contractors Corner: Our contractors are always encouraged to fill out Contractors Corner cards. This is a direct line of communication from contractors to the Watkins family. Contractors can also feel free to contact the employee hotline: 1-888-924-4968

Florence Terminal Salutes Jim Doan and Fred Patrick



left to right: Jim Doan, Florence Tank Wash Supervisor; Chris Jenkins, Florence Terminal Manager; and Fred Patrick, Florence Regional Driver

Drivers and coworkers honored Jim Doan and Fred Patrick at a retirement celebration at the Florence terminal. Jim and Fred happily greeted about twenty people. The celebration was attended by drivers and a couple of colleagues who traveled from Knoxville to the Florence terminal

for the event: Gary Reagan, President of Highway Transport Chemical, LLC

and Larry Edwards, Director of Maintenance, Tank Wash, and Environmental.

Gary Reagan presented Jim and Fred with a plaque to commemorate their years of service.

Jim Doan celebrates 17 years with Highway, but bear in mind, Jim has run the tank wash since it was owned by Shippers Bulk Service. Fred served as a Regional Driver at the Florence terminal for 9 years.

Larry Edwards said, "Everyone appreciates the work that these guys have done at our Florence terminal, and I enjoyed the opportunity to celebrate this milestone with both of them. It was an honor to be able to attend the celebration."



above left: Jim Doan is presented a plaque by Gary Reagan for 17 years of service. **above right:** Fred Patrick slices the cake honoring Fred and Jim for their years of service.



2008 Employee, Driver and Contractor Appreciation Lunchtime Cookouts - All Terminals



Mark your calendar, and make plans to attend! Wednesday, August 27, 2008

August 24 - 30, 2008

National Truck Driver Appreciation Week 2008 cookouts will be held at terminals throughout the country. Look for specific details on the poster at your terminal. This is the week when drivers receive a nationwide pat on the back in recognition of their hard work for moving the products that make up our nation's economy. We're proud of our drivers!

Online forms on www.hytt.com

For your convenience, forms are available on Highway Transport's internal web, including Vacation Request and Direct Deposit. Employees can download, print, sign, and send the forms to HR Director Carra Eggers.

Celebrate Throughout 2008: 60th Anniversary Photo Contest



This is an opportunity for you to capture some scenes throughout 2008, which is our 60th year in business. Employees, customers, and suppliers are encouraged to participate. This photography contest is a great way for us to celebrate our 60th Anniversary all year long. 12 winning images will be selected for our 2009 Highway Transport commemorative calendar. Submissions must reach Knoxville, TN Baum Drive location by November 4, 2008 to be eligible to be featured in the 2009 company calendar. The best way to submit your entry is online via www.hytt.com.

Shop Maintenance Software Implementation WAI Benefits and Website Change

Last issue we reported that Highway Transport, LandSpan and Sunco personnel gathered in order to combine efforts toward learning and implementing TMT/Transman shop maintenance software.

Aaron Matthews and Larry Edwards of Highway Transport recently traveled to Sunco in Lakeland, FL to assist with inventory setups and initial training so that Sunco can begin the first phase of using

TMT/Transman shop software. Ron Bland, the TMT on-site specialist, also helped with this initial effort.

There is going to be a continuation throughout the next couple of months, and everyone is dedicated to getting the upgrades in place so that each company (Highway, LandSpan, and Sunco) can begin to operate from their own individualized custom data bases by July 21, 2008.

Employees were recently notified of changes to the health benefit plan entitled Watkins Employee Benefit Plan. In the past, the plan was managed by a staff of WAI employees in Atlanta, GA. In the coming month, the health benefit plan will undergo a transition and be administered by Aetna.

Beginning the first week of July, employees will receive new insurance cards and information in the mail. After July 1, 2008, employees are encouraged to visit www.aetna.com to register for a username and password. The old website www.waibenefits.com will continue to be operational for awhile, but over time, participants should try to begin using the Aetna site to obtain health benefit information and forms.

Contractors: The Rising Cost of Fuel

reported by Bob Baker, Vice President of Administration & IT Sunco

The article below is from *Sunco Courier*, the official newsletter of Sunco. Bear in mind, 100% of Sunco drivers are contractors. Though the majority of Highway drivers are company drivers, there are some insights in this article that hold true for any driver.

With the cost of fuel passing \$4.00 per gallon, the economics in running a truck have changed in several ways. In order to maximize your profits, understanding how to adjust to this change in our business is essential.

First, understand fuel surcharges. Practically all of our freight pays a fuel surcharge. The rate each customer pays is slightly different, but most are pegged at the difference between the weekly DOE diesel fuel average and \$1.20—\$1.30 per gallon. They also assume that you get 5-6 miles per gallon. Also, remember that with a very few exceptions, fuel surcharge is only paid on loaded miles.

Understanding this, how can we take advantage of this increase in our single largest operating expense?

- ▶ Purchase fuel at less than the DOE average. By taking advantage of the fuel discount programs we have available, you can save several cents on each gallons of fuel you purchase. Remember that there are fuel tax consequences if you choose to shop at low tax states.
- ▶ Get more miles per gallon as you drive. Slowing down is the first and most obvious way to increase your MPG. You

can also make improvements by looking at the age and aerodynamics of your truck. If you are evaluating upgrading your equipment, make sure and include any increase in MPG in your analysis.

- ▶ Also reducing the weight of your truck can help. If you routinely carry a 300 pound tool box there is a potential fuel savings there. Also routine maintenance becomes more important as this can improve your MPG also.
- ▶ Of course there will always be some deadhead involved in what we do, but you and your driver manager can work together to reduce your miles not covered by fuel surcharge. It also makes sense to take the shortest route, and try and use a four-wheeler to run personal errands when you can.
- ▶ Reduce idling time. At \$4.00 per gallon or more for the fuel and the increased wear and tear on your big motor, the economics of an Auxiliary Power Unit (APU) start to get pretty compelling; depending on how many hours you idle per month.

The trucking industry has seen huge changes over the last twenty years, and this shift in the cost of fuel is just the latest. Like all of the other changes in our industry, there will be some who react to this change and not only survive but grow. This will happen at the expense of those who cannot or will not change with the environment. I hope everyone at Sunco has a safe and prosperous year in 2008, and reacting to this change in the economics of our business will be critical in achieving that.

LandSpan: 1st Place in Fleet Safety Award



The Florida Trucking Association recently recognized all of our driver's safe driving efforts by awarding Land Span 1st place in the fleet safety award for both our mileage group and the best overall award for all mileage groups. It was a real honor to accept the award on behalf of all of our drivers. This type of award is a true reflection of each of your commitment to safety and defensive driving.

Sunco: Virgil Tramwell Named 2007 Owner Operator of the Year



March 19, 2008 | At a dinner held in his honor, Sunco recognized Virgil Trammell as the 2007 Owner Operator of the Year. To see Virgil receive this award in front of his family is priceless. It was both an honor and a pleasure to witness how proud Virgil's family was of his accomplishment.

Virgil started with what was then RTC in 1977. He transported carpet from Georgia to Texas and returned with meat. Virgil was also named Operator of the Year while leased to RTC.

In 2001 Sunco purchased the Southeast division of Rocor, adding 133 owner operators, including Virgil, in that process. Currently Virgil runs mostly Georgia and Florida which allows him to spend time with his family and the opportunity to stay active in his church.

The management and employees of Sunco say thank you for a job well done and an award much deserved. We congratulate you on your award and appreciate the fine job you do representing both Sunco and the trucking industry.

Dean Manley
V.P. Safety and Recruiting
Sunco

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