



BETWEEN THE LINES



January 2006

New Corporate Offices in 2006

VHI has made the commitment to move its brokerage operation to new headquarters in 2006. The new facility is at 4525 Lee Street in Chester, VA, just a few miles from the Richmond location that we occupied for more than 25 years.

The new corporate headquarters gives us more than twice the space at the old location, where offices had been moved beyond the original space to another building, to accommodate our growing divisions and their staffing. Our Container Division will continue to occupy the Richmond site, along with Legacy, our carrier partner.

Our new location has plenty of parking and room for additional expansion as our divisions add volume and customers for flatbeds, vans, refrigerated, truckload, LTL, liquid bulk transporting and transloading, dedicated, warehousing, short truck service and expedited freight. In the new location, we will also expand our compliance and finance departments to support our additional business, as well as our agent division.

We look forward to spending many years at the new location and to serving your freight transport needs from this efficient new environment.



***Moving day at VHI, January 2006.
New office with more than
double the space.***

Container World

By Denise Galloway
Intermodal Manager

It's such a great feeling when you get to be the hero, as we were one day this year. A dispatcher for a key customer misstepped somehow and some export containers that were suppose to be loaded were not there. The shipper called us, their favorite problem solver, desperate to get containers quickly. Within two hours, we had the containers where they wanted them, ready to be loaded. Sure felt good when the dispatcher called the next day, thanking us for saving the day.

We are now working with several payment companies who handle invoices for shippers. When we start a new relationship of this kind, we have a standard process we go through, so everyone is on the same page and all parties concerned know what is expected. Full disclosure and transparency certainly pay off.

We have continued to arrange steamships for ware-

Capacity Outlook – 2006

By Connie Alexander
Director of Operations

We are still experiencing major truck shortages and increased rate demands from the carriers. Customers have more freight than ever.

We are working with every customer to cover their loads and negotiating the best rates available. We work with the customer on the options and the current rates from carriers. When customers can accept the going rate to get their freight to market on time, we arrange it immediately. When they ask us to keep looking, we do.

Times like this can be frustrating. Our staff constantly reminds each other that it also gives us a huge opportunity to step up to the plate.

We have been capturing additional business because of our tenacity. It is challenging times like these that show what a company and its people are really made of. VHI is passing the test, meeting the challenge and maintaining customer satisfaction, even in these trying times.

As we move forward into 2006, we thank you for your support and your patience in the last year and we vow to continue our commitment to top quality service provided with integrity, respect and a bit of humor besides, to help us all with a difficult situation.

From the President

VHI — THE MASTER PLAN

by David Gee, VHI President

It was four years ago that we took a new look at the business of being a transportation intermediary. Things were changing faster than ever before. Shippers demanded more service and more sophisticated interaction.

Software development carried significant price tags. And that was just the tip of the iceberg. Finding the right people to run the software, know the business and satisfy the customer was the real challenge.



David Gee, CTB

We looked around and found that we had the nucleus of a team that could indeed take us to the next level of growth and prosperity. We added to this core staff, expanded it with some key consultants and set out on a "plan for significant growth."

We had a vision of creating divisions for various types of transportation service. We started off slowly, as is our style - slow and steady, focused development that allows trial and improvement along the way. Our customers' businesses seemed to develop along with us - not at all by chance. They were specifically selected as stalwarts of industries we believed would grow in their need to move freight - domestically as well as in and out of the country.

Our plan involved multi-year development of operational software, the expansion of our core agent network, changing our name from Virginia Hiway to VHI Transport, marketing our new name, creating divisions and adding staff.

Today, VHI has fully functional and staffed divisions for:

- Containers
- Flatbeds
- Vans
- Refrigerated
- Truckload
- LTL
- Liquid bulk transporting and transloading
- Dedicated freight
- Warehousing
- Short run truck service
- Expedited freight

Moving to larger quarters was part of the plan from the very beginning. The move was set for 2005. We began our search for the appropriate facility in 2004 and rejected one after another of the places that came on the market. None was just right.

In the summer of 2005, we finally found the location and space that suited our current needs and our future plans for continuing growth and prosperity. By autumn, we had negotiated satisfactorily and we began the business of moving, late in 2005. By the time you read this, we should be totally situated in our new offices in Chester.

Meanwhile, our Container Division continues to occupy our former location in Richmond. They now have space there to expand, enlarge their staff and continue developing their synergy with Legacy, our carrier partner.

The transportation and trucking industries certainly look different today from the persona they had in 2002. VHI looks different too; keeping pace with the needs of our customers and the technology of our times.

I would like to publicly thank all of the Virginia Hiway veterans who have weathered change after change with us over the last four years; our senior management team of Bruce Gee, Connie Whitley and Connie Alexander, our IT guy, Tim Phillips, our business and marketing consultant Annette Petrick, and all of the operational and administrative people who have been with us during this wild ride.

I'd also like to thank our national industry association, Transportation Intermediaries Association, where I had the honor of serving as president for two years. The insights of the leadership of this organization, and the programs they have created add significantly to the professionalism of third parties. The volunteers with whom I worked gave generously of their time, thoughts, innovation and future-focused thinking. It was my sincere pleasure to be involved and our business is a better one for what we have learned and valued through our association with TIA.

To all of our customers, our very best wishes for a prosperous and healthy New Year in which we all meet the challenges and turn them into opportunities.

Between the Lines

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Third Party Specialists Since 1977

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Dedicated Division – Happy Marriages

MELISSA PROFFITT

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VHI recognized the huge demand by shippers for reliable, consistent carriers on their frequent runs. Some such needs are for regional coverage. Arranging dedicated lanes results in better rates and quality of service for shippers.



Having the same drivers on the run means that the preferences and priorities of the customer are better understood and addressed.

For carriers, dedicated runs mean better infill for schedules. It's a win/win situation.

MELISSA PROFFITT When VHI decided to establish a Dedicated Division, we looked for the perfect matchmaker to marry up carriers with shippers. Our search ended with the appointment of Melissa Proffitt to head this Division.

After 14 years with a third party distribution center, Melissa had just the right carrier knowledge and industry savvy to know how to arrange happy marriages.

"This work is challenging but they are good challenges," said Melissa. Her enthusiasm for her work is contagious.

"I really enjoy working with the carrier," she continued. "We have a really good rapport and I know so many of these people. They have become friends as well as business associates, over the years."

Melissa works closely with VHI Director of Sales and Marketing, Connie Whitley, to marry VHI customers with the proper carriers for dedicated lanes.

When she's not being a matchmaker, Melissa and her husband Kent can be found in the stadium or in front of the tube watching football. "That game is my passion," Melissa admits. She is an avid Pittsburgh Steelers fan.

Above is the telephone number that is a direct line to Melissa's office.

CONTAINER WORLD continued from page 1

houses overflowing with tobacco containers. This is one of the major commodities that we ship

We begin our relationships with some customers when they are in crisis. When they find out how consistent and dependable VHI is, they quickly become a regular customer. We just LOVE this container business.

Since we began working with exports, imports and containers two years ago, we have learned so much about "how to play the game." It still excites us to know just the right language, the right documents and the right attitude to make things move along smoothly.

The point was made last week, when we got a call from one of the "big guys" at the headquarters of one of our shippers. Such calls usually mean that something has gone awry. We were not aware of any problem so I was a bit anxious to take the call. Seems he called to tell us that it had come to his attention, what an outstanding job we are doing. He wanted to let us know that our tenacity and attention to detail had been noticed and are appreciated. Talk about making my day!!

For another customer, our performance report for the past three months came in. We were near 100 in every single category rated by this company. How much good news can we stand!

In another case this year, a carrier that was suppose to have a certain route could not handle the volume, so we got the lane, to the tune of 30 containers per week. We always emphasize SERVICE over PRICE. It's not just a sales approach. We do it because service costs – but service pays off, for our shippers.

With the expansion of VHI Transport to a new location, the Container Division will take over the entire facility at the Richmond address. This will give us the opportunity to expand far beyond the walls of our division. The volume of business we have developed certainly deserves this expansion. We have more than doubled our container business in the last year.

Special thanks to my assistant, Cheryl Clay, who has been such an integral part of our success this year.

If you can hear the excitement and enthusiasm in my words, it's because we have believed in this business and its future for a long time. We are thankful to David Gee for the opportunity to take VHI in this direction. Sincere thanks to the shippers who put their faith in us and our teammates who make it happen – not once in a while, but every hour of every day.

2006 should be another winner for VHI's Container World.

CERTIFIED TRANSPORTATION BROKER
THIRD PARTY SPECIALISTS SINCE 1977
FINANCIAL STABILITY FOR EFFECTIVE ONGOING RELATIONSHIP

Highest Dun and Bradstreet rating available

Richmond, Virginia
FORMERLY VIRGINIA HIWAY, INC.

VHI at TIA Fall Meeting



The traditional autumn meeting of the Transportation Intermediaries Association (TIA) was held on November 11 to 15 in Anaheim, CA. Meetings of three major transportation associations took place at that time – TIA, the National Industrial Transportation League (NITL) and the Intermodal Association of America (IANA).

The gathering affords transportation intermediaries the opportunity to mix with their peers, gather information and share trends and solutions. Third party logistics providers mix with carriers and suppliers.

VHI President David Gee represented the firm at the TIA board of directors meeting. Gee is past president of TIA, having concluded his two year term last year.

Director of Operations, Connie Alexander also attended the TIA meeting. Company representatives took full advantage of the extensive educational programs and interactive sessions and forums. VHI has been a member of the TIA (formerly the Transportation Brokers Conference of America (TCA)) for more than twenty years.

Virginia Conference on World Trade

The Suez Canal is expected to be a key player in world trade in the future. The Canal will be deepened in the next few years to accommodate new steamships being designed and built now. Much more cargo will come into East Coast ports than West Coast.

All this information was provided at the Virginia Conference on World Trade in Williamsburg, VA in October. The event was attended by VHI Operations Director, Connie Alexander and Container Division Manager Denise Galloway.

International security, particularly as pertains to containers, was a hot topic at the event. The information provided put a whole new perspective on the customs holds and USDA holds put on imported freight.

Reviewing the Conference, Galloway noted, "VHI has positioned ourselves to be at the right place at the right time for additional container work, and we plan to bring this work on at a slow, consistent, steady pace, as always. This is how we make sure we can give the very best service to our container clients."

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Looking for Information on VHI Transport?

Be sure to visit our website –

www.vhitransport.com

You will find a no-nonsense site that brings you the information you need in easy-to-follow, simple terms.

You'll find LOTS of information, easily accessible, without a lot of bells and whistles.

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