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December 15, 2011

Dear Valued Customer,

As many are aware, North Dakota is experiencing an 'oil boom'. The Bakken Oil Field project, in the western part of the state, is currently producing 450,000 barrels a day with an expected increase to 1.2 million barrels per day by 2015. This level of production will make North Dakota the largest oil producing state by 2015, well ahead of Alaska, California and Texas. Unfortunately, the state's oil boom has produced serious housing issues, a strain on existing infrastructure and severe shortages of qualified labor.

The expanding economy in North Dakota has also resulted in an unprecedented demand for qualified drivers. This demand has greatly outstripped the supply of drivers throughout North Dakota, and has, in fact, put a strain on the driver pool in adjoining regions. As a result, Valley Cartage and our partner carriers serving North Dakota have had to significantly increase wages and benefits to attract and keep qualified drivers in these areas.

These changes have resulted in greatly increased costs to handle freight in North Dakota. To recover some of our increased costs, we are establishing an arbitrary charge of \$35.00 per shipment for all shipments destined to Zip Codes 58301-58899. This new arbitrary charge will take effect on December 15, 2011.

We appreciate your understanding and support. Please do not hesitate to contact your Account Executive if you have questions,

Adam Danielson
Director, Sales & Marketing
Valley Cartage Company, Inc.

~ Driven by Generations of Excellence ~