



arrowlife

JANUARY 2009



Yesterday, today and tomorrow

The best companies always find a way to prevail and I can comfortably say that we are one of the best.

When Arrow started in 1919 under the name of Kitsilano Transfer, the first automobiles were just finding their way onto the roadways of Canada and the United States. There were already over 100 million people in the United States and 8.5 million in Canada, however, less than 7 per cent of the population owned a motor vehicle. The horse and carriage were still the preferred method of transport.

There was no reality TV because...well, there was no TV. Broadcast radio hadn't even found its way to our homes yet and the biggest company in the world was United States Steel. The first transatlantic flight would happen in 1919. Charlie Chaplin's "Tramp" character was warming hearts everywhere and less than 1/4 of the homes in Canada had a telephone. Milk was 15 cents a quart (not litre) and eggs were 64 cents a dozen. People were coming home from the war, unhappy because they couldn't find a job. But at least we could have a drink to help us deal with the challenges we faced...this right would disappear in 1920 with prohibition.

Since we started there has been a world war, the Korean War, the Vietnam War, the Gulf War and heaven knows a number of other conflicts. Kennedy was elected...and assassinated, the computer was invented, we walked on the moon, bought a cell phone and bought our first muscle car. We also saw the total collapse of the stock market, the Great Depression, eleven Recessions and, thankfully, the end of disco...and guess what, we're still here!

Make no mistake about it, these are difficult, challenging and scary times. In fact, this may be the most challenging economic period in our lifetimes. Banks are failing, we are seeing the lowest housing starts since WWII, and people are losing their jobs, their houses and their credit worthiness in record numbers.

We know that the challenges facing us are great, but we also know that we will not only survive, but ultimately thrive. Pulp will need to be produced, timber harvested and coal burned. When those activities happen, raw materials and finished goods need to be shipped and we are going to ship them.

The best companies always find a way to prevail and I can comfortably say that we are one of the best.

Each day our people are working hard at finding new opportunities in an ever expanding geographic area. Today we haul steel, waste, aggregates, equipment, and a variety of other products that we didn't handle even a few years prior. We have moved into new locations such as Edmonton, Chilliwack and Portland and have positioned these businesses to grow in the near future. Our drivers, mechanics and operating supervisors are working diligently to ensure that the needs of our shipping customers are met each and every day. Our support staff ensures the bills get paid, our equipment is current, our technology works, and we are meeting the ever increasing amount of rules, regulations and processes that transportation companies must adhere to today.

We are standing by our customers and they are standing by us. Collectively we understand the significant challenges we face and we are working together to develop creative solutions to meet them head on.

Even with all that we are doing, we are all going to have to ask more of ourselves to secure our place in this difficult business environment. We need to find new and better ways to work together, we need to recognize the needs that each of us have but temper those needs with the business realities of today. We need to recognize the needs of our customers and be sensitive to them knowing that many are willing to take our place should we falter. We need to accept new technologies and put those technologies to work with the hope that they will ultimately help to make us more efficient and service focused.

If we do the right things our future success is not only assured, but bright and optimistic. For over 90 years we have managed through times as difficult, if not more difficult than this time. Our job today is to ensure that collectively we set the table for the next 90 years.

Mitchell Zulinick
Chief Operating Officer

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Don Pelsey's 25 Years

This year marks a major milestone for Don Pelsey: the heavy-duty mechanic has completed 25 years of service with Arrow.

Don's career with Arrow started in 1983 with Doug Lewis Hauling, Arrow then bought the company and it became a part of the Gold Star Division. At that time, Dave Campbell led the division and under him were seven guys working in the shop – a foreman, a welder, a tire man and four full-time mechanics as well as a dispatcher and office manager.

In his years working on tractors and trailers at Arrow, Don has seen plenty of changes and improvements. He notes the move from the A-train to the Tycrop B-train and the use of hydraulic tarps and ABS brakes as developments that help drivers haul more while exposing themselves to fewer dangers.

"The people here are great," said Don, who says his favorite part of working at Arrow is the opportunity to train new mechanics and share his knowledge and experience.

Throughout his career, Don has tried his hand at a number of small ventures. In fact, for 15 years he'd use his holiday time in the spring – once the ice broke – to take his 14' boat out to net "White fish." He'd haul in 150 fish at a time, load them into boxes and sell them. But the work as commercial fisherman was really cold and Don eventually sold his license.

Don also teamed up with his brother-in-law to prospect for gold in North Western B.C. Each summer for five years, they would head north to scour the streams. During this time, Don panned enough gold to adorn the ladies in his life which included his mother, his daughter and his companion of 33 years, Berdine.

Born and raised in Edmonton, Don's career took him to Fort St. John and then on to Fort Nelson where he met Berdine. He eventually settled in Grande Prairie in 1978, where he has lived ever since. Don enjoys spending time at his cabin near Grande Prairie, where he "tries to fish" for rainbow trout and pickerel at the nearby lakes.

Enjoy your fishing this year and congratulations for 25 years with Arrow!

Milestones

We appreciate the time our people have given and we want to be sure that our employees are recognized for their Years of Service.

On January 1, 2008, we started a program to recognize those that have been with us full-time and consecutively for the Milestones of 2, 5, 10, 15 and for every 5 years thereafter. We recognize that some employees may have reached these milestones in years past and want you to know that you are appreciated.

The employees mentioned below reached their Milestone between the months of October and December 2008. Please join us in congratulating these people for their time with Arrow. Great people work here.

ASHCROFT/LMB 5 years

Brian Johnson

2 years

Bela Bartok
Jordan Bell
Shawn Virtue

CHILLIWACK BULK 2 years

Shaun Roberts

GRANDE PRAIRIE 25 years

Don Pelsey

10 years

Ted High

5 years

James Wilson

2 years

Riley Ireland

HOUSTON 2 years

Bruce Tanner

KAMLOOPS CHIPS 5 years

David Grose
Owen Payne

2 years

Dave Hall
Jeff Bale
Todd Fassbender
William Hobson

KAMLOOPS HEAD OFFICE 5 years

Dan De Palma
Dave Bollman
Deb McKeown
Garry Kernan

KAMLOOPS RELOAD 5 years

Jason Askeland

2 years

Perry Zimmerman

PEACE RIVER 2 years

Brad Kennedy
Wayne Poirier

QUESNEL 5 years

Peter Malic
Terry Nelson

2 years

Ross Mullin
William Morrison

VERMILION BAY RELOAD 5 Years

Mario Tarrant

A special mention
to Ted High for his
10 Years of Service

Arrow launches Scholarship/Bursary Program

We know how much support Arrow employees get from our families and this year we are launching a Scholarship/Bursary Program to support the Spouses, Children and Grandchildren of those who work for Arrow.

Each year, Arrow will offer a Scholarship/Bursary amount up to \$10,000, which can be awarded to a maximum of five applicants (\$2,000 each). The awards given will depend on the number of candidates that meet the criteria of the program. The application deadline is April 15 of each year and all applicants, whether successful or not, will be informed by June 15 of each year.

A selected Board will review each application and all names will be withheld from the Board to ensure a fair selection. Applications will be short listed and then a final review will select the most deserving.

The successful candidate(s) will be delivered a cheque once they have provided Arrow with the original receipt of payment for entry into the selected program at the chosen registered post secondary institution.

Application Package information is as follows:

- Spouses, Children and Grandchildren of full time Arrow employees are eligible and are required to apply on their own behalf.

Application must include:

- Completed application form which will be available at your Division or Office location.
- A typed letter containing:
 - Name, Address and Phone Number.
 - Relationship to and name of Arrow employee.
 - Why the applicant feels they should be the deserving recipient.
 - Future goals relative to education sought.
 - Community involvement.
 - Name of the registered post secondary institution the applicant plans to attend.
- Please include:
 - A copy of applicants High School transcript (including effort marks).
 - Most recent post secondary transcript (if applicable).

Please submit application package no later than April 15 of each year to:

Arrow Transportation Systems Inc.
710 Laval Crescent
Kamloops, BC V2C 5P3
Attention: Rachann Pedersen

If you have any questions, please contact Rachann Pedersen at rpedersen@arrow.ca or 250-374-3831 x 7750.

Apply now! April 15 is only a few months away.

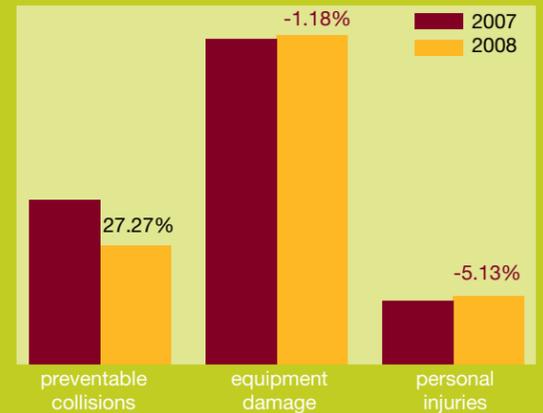
Arrow's own Champions of the Road

Over-the-Road Performance

Statistics are for all Arrow businesses except for Arrow Marine Services.

Corporate Goal 2008/2009—20% reduction in all incident types as we move towards a Zero Incident target.

% improvement 2007 – 2008



As a company we continue to strive towards our reduction goals, positive performance can be seen in our reduced involvement in preventable collisions and a decline in results is noticeable in the slight increase in equipment damage and lost time personal injuries.

Top 3

Collisions

- 1 Wildlife strikes
- 2 Side swipe
- 3 Off-road/single vehicle

Equipment Damage

- 1 Trailer contact/platform/door/fender
- 2 Ripped tarps/bent tarp poles
- 3 Cut/skidded tires/bent wheels

How Injury Occurred

- 1 Slips/trips/falls
- 2 Overextension
- 3 Struck by or against object

Prevention Focus

2009 Plan towards our Zero Incidents target

At Arrow, we have a variety of initiatives that all work towards common company goals to ensure our people remain safe and in compliance as they perform their daily work tasks, and we continue to provide safe and efficient service to our customers.

Our programs are designed to identify our loss exposure, evaluate the risk of that exposure and develop and implement corrective plans. Monitoring our processes and providing timely feedback lets everyone know what is working and what needs improvement, compared to the prevention plan.

For 2009, we need to continue to reduce our involvement in collisions as has been done this past year. However, preventing and reducing equipment damage and personal injuries from all sources will have renewed energy in 2009. We all must work together to identify, report and correct unsafe conditions and behaviours.

Company goals continue to be geared to incremental improvement in all processes to achieve our Zero Incident target.



Derwin Perepeletza, Driver, Athabasca Division

Derwin Perepeletza has worked as a volunteer for the Fire Department and has extensive training in trauma and emergency, however, it would be difficult for anyone to prepare for what Derwin experienced on Highway 63, South of Fort McMurray, while driving an Arrow Gold Star truck.

It was late morning on Monday, November 17 when Derwin noticed a white Freightliner truck with a blown signal light driving erratically in front of him. Derwin radioed the Driver ahead of him and informed him that his signal light was out on his trailer. That's when the driver informed Derwin that he'd just pulled over and had fallen off his fender onto the ground and hurt his head quite badly, he couldn't stop the bleeding and was heading for the hospital. Derwin convinced the driver, Ricky, to pull over at the Marianna Lakes turnoff. Upon meeting Ricky, Derwin noticed that his eyes were quite glossy. Ricky said he had pain down the right side of his body and in both feet, as well, Ricky's left side went numb and he was becoming quite incoherent. Ricky informed Derwin that he'd had surgery performed on his spine several years prior.

Once Derwin was able to assess the situation, he called an ambulance and 911 informed Derwin to take Ricky to the bunk in his truck to keep him stable and warm. Ricky was having trouble breathing so Derwin moved him onto his side



Bruce Nagy, Driver, Kamloops Chips Division

in the recovery position. Derwin knew he had to keep Ricky talking so he wouldn't go into shock. At one critical point, Derwin saw that Ricky had stopped breathing and there was no longer a pulse. Derwin rolled Ricky onto his back and started chest compressions at which time Ricky regained consciousness. Derwin was able to keep Ricky conscious and comfortable until the ambulance arrived.

About 10 minutes after regaining consciousness and preparing for the worst, Ricky asked Derwin to record his personal information including his last words to his son and daughter.

Once the ambulance arrived, Derwin briefed the attendants and helped to load Ricky in the back of the emergency vehicle and made sure to include all of Ricky's personal belongings. Derwin then returned to his truck and continued on with his work assignment.

"I hope Ricky's O.K." said a very humble Derwin. "When you're called to an emergency with the Fire Department, you're mentally prepared. But when you're watching it unravel in front of you, it's very different".

Ricky was very lucky to have Derwin there to help and we at Arrow are very proud of Derwin and his ongoing commitment to helping people both on and off the job.

Bruce believes that when you see someone in need, you have to help. "When you're on the road as much as I am", Bruce said, "it presents many opportunities to offer assistance". Bruce did exactly that when he encountered a commercial driver and his wife after they experienced some disturbing trouble North of Merritt, BC earlier this fall.

At about 10:30 pm, Bruce Nagy came up to a very slow moving and loaded flat deck unit traveling North on Highway 5A. After several attempts to pass the unit, as well as contact the driver via radio, Bruce was finally able to convince him to pull over so the two could discuss what was clearly troubling him. Once stopped, Bruce could see that the driver, Andrew, and his wife Marnie were very agitated.

Andrew recounted that he and Marnie had pulled into a rest area near Quilchena and were ready to call that shift to an end. The next thing they knew, someone was firing a small calibre firearm at the

truck breaking the passenger side window where Marnie was sitting having a cigarette. They then continued to shoot no less than 15 bullet holes in the windshield.

With no cell service in the area, Bruce radioed Arrow Dispatch who immediately called the RCMP. Units from both Merritt and Kamloops were called to the scene. Bruce stayed with the couple until help arrived.

This is not the first time Bruce has stopped to render assistance over his many years as a professional driver and it probably won't be the last. Driving 8-axle Super-B's the last three years with Arrow, Bruce has helped his share of other road users. Whether it's collecting their belongings after a collision or helping calm others after a traumatic event, there is always something to offer. Sometimes another person just being there is what gets the victims through. Bruce believes he is just doing his job and that being a professional driver includes helping others. Well done Bruce!!

A new reload in Chilliwack

The “Chilliwack Reload” is a seven acre site located in Chilliwack, BC and is owned and served by the Southern Railway of British Columbia (SRY). The SRY is a shortline railway and provides access to four Class 1 railways, the Union Pacific (UP), the Burlington Northern (BN), the Canadian National (CN) and the Canadian Pacific (CPR). In January, through a partnership with the SRY, Arrow will take over the Operation of this facility and add another Reload to it’s expanding portfolio.

The facility expects to handle multiple commodities for both inbound (local distribution) as well as outbound traffic. Arrow will offload and load commodities from truck to railcar as well as from railcar to truck, and other services as required by the customer.

“We’re really excited to have been awarded the contract to operate this site” said Arrow’s General Manager of Reloads, Randy Zulinick, “The location and access provides us with a competitive advantage given its extensive reach into the U.S. and Canadian markets. This is an excellent fit with our strategy for growth and diversification.”



TRU Wolfpack: Marleah Oginski is top row and third from left.

Our adopted athlete

Marleah Oginski’s soccer career has spanned 16 years, which may not seem long to some, but when you’re only 21, that’s three-quarters of your life!

Last year, Arrow sponsored Marleah through the Thompson Rivers University (TRU) Adopt-An-Athlete program. We followed the progress of the star goalkeeper as her team, the TRU Wolfpack, battled their way to the finals at the National College Championships in Kamloops, where they narrowly missed taking gold.

While most people at Arrow haven’t met Marleah, many of us know her father, Cliff Oginski, and appreciate the support he provides through our IT department. For Marleah, Cliff has been a major source of support and inspiration – throwing in as a coach, referee, and fan throughout her career.

Marleah plans to translate her success on the soccer pitch into a bright professional future – she is graduating from TRU this year and on her way to becoming a chartered accountant. Congratulations Marleah, Arrow is proud of you!

It’s official, Arrow likes to Party

The 2008 Christmas Parties were a great success and record numbers participated across the company. “It’s a great way to get to know each other outside of work” said Director of Safety and Committee Chairperson Rick Viventi, “we spend a lot of time with each other, it’s like family, it makes sense that we celebrate together.”

From East to West over 500 people attended parties held in Athabasca, Peace River, La Crete, Grande Prairie, Kamloops and Smithers. A group of dedicated and committed volunteers helped to plan, organize, prepare, buy for, decorate, serve and assist, in order for a good time to be had by all.

Thanks to all of you that volunteered and to those that participated this year. It’s truly special to see coworkers raise a glass and have a laugh. We look forward to seeing you all again next year!



Above: Blair Kellington of our Ashcroft (BC) Division wins one of the Christmas Hampers that were raffled towards a very good cause.



From left to right: Dave Hebb, Rod Brewer and Ryan Rogers enjoying the party for the Athabasca Division.

We want to hear from you

Please submit your ideas and articles for the Newsletter to:
 Lisa Savage, Director People Systems
 lsavage@arrow.ca

Arrow Transportation Systems Inc.
 710 Laval Crescent, Kamloops, BC V2C 5P3



If you would like this Newsletter to be mailed to your home, please make sure your Division or Office location has your most up to date address.