SAIA INC
Form DEF 14A
March 22, 2011

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o **Preliminary Proxy Statement**
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ **Definitive Proxy Statement**
o **Definitive Additional Materials**
o **Soliciting Material Pursuant to § 240.14a-12**

Saia, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ **No fee required.**
o **Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.**

1) **Title of each class of securities to which transaction applies:**

2) **Aggregate number of securities to which transaction applies:**

3) **Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):**

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1) **Amount Previously Paid:**

2) **Form, Schedule or Registration Statement No.:**

3) **Filing Party:**

4) **Date Filed:**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held April 26, 2011

To Our Stockholders:

We cordially invite you to attend the 2011 annual meeting of stockholders of Saia, Inc. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 26, 2011 at 10:30 a.m. local time. We look forward to your attendance, either in person or by proxy.

The purpose of the meeting is to:

1. Elect three directors, each for a term of three years;

2. Approve the 2011 Omnibus Incentive Plan;

3. Hold an advisory vote on the compensation of Saia s Named Executive Officers;

4. Hold an advisory vote on the frequency of future advisory votes on the compensation of Saia s Named Executive Officers;

5. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2011; and

6. Transact any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

The Company s Board of Directors intends to present Linda J. French, William F. Martin, Jr. and Björn E. Olsson as nominees for election to the Board of Directors. Only stockholders of record at the close of business on March 11, 2011 may vote at the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

James A. Darby
Secretary

March 22, 2011

Please complete, date, sign and return the accompanying proxy card or vote by telephone or internet. The enclosed return envelope requires no additional postage if mailed in either the United States or Canada. Alternatively, you may vote electronically via the Internet. Go to www.investorvote.com/saia and follow the steps outlined on the secure website.

If you are a registered stockholder, you may elect to have next year s proxy statement and annual report made available to you via the Internet. We strongly encourage you to enroll in this service. It is a cost-effective way for us to send you proxy materials and annual reports.

Your vote is very important. Please vote whether or not you plan to attend the meeting.

Saia, Inc.
11465 Johns Creek Parkway
Johns Creek, Georgia 30097

2011 PROXY STATEMENT

The Board of Directors (the Board) of Saia, Inc. (Saia or the Company) is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2011 annual meeting of stockholders. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 26, 2011 at 10:30 a.m. local time. At the meeting, stockholders will vote on (a) the election of three directors, (b) the approval of the 2011 Omnibus Incentive Plan, (c) an advisory basis on the compensation of Saia s Named Executive Officers, (d) an advisory basis on the frequency of future advisory votes on the compensation of Saia s Named Executive Officers, (e) the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2011, and (f) the transaction of any other business that may properly come before the meeting, although we know of no other business to be presented.

By submitting your proxy (either by signing and returning the enclosed proxy card or by voting electronically on the Internet or by telephone), you authorize Herbert A. Trucksess, III, chairman of the Board of Saia, Richard D. O Dell, Saia s Chief Executive Officer and a director, and James A. Darby, Saia s Vice President Finance, Chief Financial Officer and Secretary, to represent you and vote your shares at the meeting in accordance with your instructions. They also may vote your shares to adjourn the meeting and will be authorized to vote your shares at any postponements or adjournments of the meeting.

Saia s Annual Report to Stockholders for the fiscal year ended December 31, 2010, which includes Saia s audited annual consolidated financial statements, accompanies this proxy statement. Although the Annual Report is being distributed with this proxy statement, it does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first sending this proxy statement, form of proxy and accompanying materials to stockholders on or about March 22, 2011.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY SUBMIT YOUR PROXY EITHER IN THE ENCLOSED ENVELOPE, VIA THE INTERNET OR BY TELEPHONE.

INFORMATION ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, the stockholders will be asked to:

1. Elect three directors, each for a term of three years;

2. Approve the 2011 Omnibus Incentive Plan;

3. Hold an advisory vote on the compensation of Saia s Named Executive Officers;

4. Hold an advisory vote on the frequency of future advisory votes on the compensation of Saia s Named Executive Officers; and

5. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2011.

Stockholders also will transact any other business that may properly come before the meeting. Members of Saia s management team and a representative of KPMG LLP, Saia s independent registered public accounting firm, will be present at the annual meeting to respond to appropriate questions from stockholders.

Who is entitled to vote?

You may vote if you owned shares of our common stock at the close of business on March 11, 2011, the record date for the annual meeting, provided such shares are held directly in your name as the stockholder of record or are held for you as the beneficial owner through a bank, broker or other nominee. Each outstanding share of common stock is entitled to one vote for all matters that properly come before the annual meeting for a vote. At the close of business on the record date, there were 15,913,524 shares of Saia common stock outstanding and entitled to vote.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

Stockholders of Record. If your shares are registered directly with our transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those shares, and these proxy materials are being sent directly to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to us through the enclosed proxy card or to vote in person at the annual meeting.

Beneficial Owners. Many of our stockholders hold their shares through a bank, broker or other nominee rather than directly in their own name. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials (including a voting instruction card) are being forwarded to you by your bank, broker or nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your bank, broker or nominee on how to vote your shares. As the beneficial owner of shares, you are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from your bank, broker or nominee and present it at the 2011 annual meeting. Your bank, broker or nominee has enclosed a voting instruction card for you to use in directing the bank, broker or nominee regarding how to vote your shares.

How do I vote?

Stockholders of Record.

1. *You May Vote by Mail.* If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in either the United States or Canada.

2. *You May Vote by Telephone or the Internet.* You may vote by telephone or on the Internet by following the instructions included on the proxy card. If you vote by telephone or on the Internet, you do not have to mail in your proxy card. Internet and telephone voting are available 24 hours a day. Votes submitted through the Internet or by telephone must be received by 11:59 p.m. Eastern time on April 25, 2011.

NOTE: If you are a registered stockholder, you may elect to have next year s proxy statement and annual report made available to you via the Internet. We strongly encourage you to enroll in this service. It is a cost-effective way for us to send you proxy materials and annual reports.

3. *You May Vote in Person at the Meeting.* You may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered stockholders who wish to vote in person at the meeting.

Beneficial Owners.

If you hold your shares in street name, follow the voting instruction card you receive from your bank, broker or other nominee. If you want to vote in person at the annual meeting, you must obtain a legal proxy from your bank, broker or nominee and present it at the annual meeting.

Can I change my vote?

Stockholders of Record. You may change your vote at any time before the proxy is exercised by voting in person at the annual meeting, giving written notice to Saia s Secretary revoking your proxy, submitting a properly signed proxy bearing a later date or voting again by telephone or on the Internet (your latest telephone or Internet vote is counted).

Beneficial Owners. If you hold your shares through a bank, broker or other nominee, you may change your vote by submitting new voting instructions following the instructions provided by your bank, broker or nominee.

What if I do not vote for some of the items listed on the proxy card or voting instruction card?

Stockholders of Record. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions. Proxy cards that are signed and returned, but do not contain voting instructions with respect to a proposal will be voted in accordance with the recommendations of the Board with respect to that proposal.

Beneficial Owners. If you indicate a choice with respect to any matter to be acted upon on your voting instruction card, the shares will be voted in accordance with your instructions. If you do not indicate a choice with respect to a proposal or do not return your voting instruction card, the bank, broker or other nominee will determine if it has the discretionary authority to vote your shares. Recent changes in regulations now prohibit banks, brokers and other nominees from voting shares in elections of directors unless the beneficial owners indicate how the shares are to be voted. Therefore, unless you instruct your bank, broker or nominee on how to vote your shares with respect to the election of directors, the approval of the 2011 Omnibus Incentive Plan, the compensation of Saia s Named Executive Officers, and the frequency of future advisory votes on the compensation of Saia s Named Executive Officers, your bank, broker or nominee will be prohibited from voting on your behalf on any such matter for which your instructions are not provided. As such, it is critical that you cast your vote if you want it to count for the proposals regarding the aforementioned matters. Your bank, broker or nominee will, however, continue to have discretionary authority to vote uninstructed shares on the ratification of the appointment of the Company s independent registered public accounting firm.

How many shares must be present to hold the meeting?

A quorum must be present at the annual meeting for any business to be conducted. The presence at the annual meeting, in person or by proxy, of the holders of a majority of the shares of Saia common stock outstanding on the record date will constitute a quorum. Abstentions and broker non-votes (which occur when a bank, broker or other nominee holding shares for a beneficial owner does not have discretionary voting authority with respect to a proposal and has not received instructions with respect to that proposal from the beneficial owner) will be treated as shares present for purposes of determining whether a quorum is present.

What if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the meeting, the stockholders who are represented may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

How does the Board of Directors recommend I vote on the proposals?

Your Board recommends that you vote:

FOR the election of the three nominees to the Board of Directors;

FOR the approval the 2011 Omnibus Incentive Plan;

FOR the compensation of Saia s Named Executive Officers as presented in Proposal 3;

To conduct future advisory votes on the compensation of Saia s Named Executive Officers to occur EVERY YEAR;

FOR the ratification of KPMG LLP as Saia s independent registered public accounting firm.

Will any other business be conducted at the meeting?

We know of no other business that will be presented at the meeting. If any other matter properly comes before the stockholders for a vote at the meeting the proxy holders will vote your shares in accordance with their best judgment.

Who will count the votes?

Saia s transfer agent, Computershare Trust Company, N.A., will tabulate and certify the votes. Renée E. McKenzie, the Company s Treasurer and Assistant Secretary, will serve as the inspector of elections.

How many votes are required to elect the director nominees?

Because this is considered an uncontested election under the Company s Bylaws, a nominee for director is elected to the Board if the votes cast for such nominee s election exceed the votes cast against such nominee s election. Abstentions will not affect the election of directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted. If an incumbent Director fails to receive a majority of the vote for re-election, the Nominating and Governance Committee of the Board will act on an expedited basis to determine whether to accept the Director s previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director s resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

What happens if a nominee is unable to stand for election?

If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee unless you have withheld authority.

How many votes are required to approve the proposals other than the director nomination proposal?

The approval of the 2011 Omnibus Incentive Plan; the advisory approval of the compensation of Saia s Named Executive Officers; and the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm each require the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote. With respect to the proposal to provide an advisory vote on the frequency of the advisory vote on executive compensation, the option that receives the greatest number of the votes cast EVERY YEAR , EVERY TWO YEARS or EVERY THREE YEARS shall constitute the shareholder s advisory vote on the frequency of voting by stockholders on the compensation of Saia s Named Executive Officers.

What effect will abstentions and broker non-votes have on the proposals?

Shares voting ABSTAIN and broker non-votes with respect to any nominee for director, the 2011 Omnibus Incentive Plan approval, the advisory vote on executive compensation and the advisory vote on the frequency of future advisory votes on executive compensation will be excluded entirely from the vote and will have no effect on these proposals. Shares voting ABSTAIN on the ratification of the appointment of the Company s independent registered public accounting firm will be treated as shares present for quorum purposes and entitled to vote, so they will have the same practical effect as votes against the proposal.

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PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors currently consists of nine directors divided into three classes (Class I, Class II and Class III). Directors in each class are elected to serve for three-year terms that expire in successive years. The terms of the Class III directors will expire at the upcoming annual meeting. The Board of Directors has nominated Linda J. French, William F. Martin, Jr. and Björn E. Olsson for election as Class III directors for three-year terms expiring at the annual meeting of stockholders to be held in 2014 and until their successors are elected and qualified. Ms. French and Messrs. Martin and Olsson currently serve as Class III directors.

Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee unless you have withheld authority.

Because this is considered an uncontested election under the Company s Bylaws, a nominee for director is elected to the Board if the votes cast for such nominee s election exceed the votes cast against such nominee s election. Abstentions will not affect the election of directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted. If an incumbent director fails to receive a majority of the vote for re-election, the Nominating and Governance Committee of the Board will act on an expedited basis to determine whether to accept the director s previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a director s resignation. Any director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE THREE NOMINEES.

The following tables set forth certain information regarding each nominee for director and continuing director of the Company. The information presented includes information provided to the Company by each nominee and director including such person s name, age, principal occupation and business experience for at least the past five years, the names of other publicly-held companies of which such person currently serves as a director or has served as a director during the past five years and the year in which the nominee first became a director of Saia.

In addition to the information presented below regarding the specific experience, qualifications, attributes and skills of each nominee and director that led the Board of Directors to the conclusion that such person should serve as a director, the Board also believes that all of the nominees and continuing directors have a reputation for high personal and professional ethics, integrity, values and character. Each nominee and continuing director brings a strong and unique background and set of skills to the Board of Directors giving the Board as a whole competence and experience in a wide variety of areas, including corporate governance and board service, executive management, law and regulation, the less-than-truckload (LTL) and transportation industry, accounting and finance and risk assessment. They have demonstrated business acumen and an ability to exercise sound judgment as well as a commitment of service to the Company and the Board. Each nominee and continuing director is committed to achieving, monitoring and improving on the Company s business strategy.

Current Nominees

NOMINEES FOR ELECTION AS
CLASS III DIRECTORS FOR A THREE-YEAR
TERM EXPIRING AT THE 2014 ANNUAL MEETING

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
Linda J. French, 2004	63	Ms. French is retired from her position as assistant professor of business administration at William Jewell College in Liberty, Missouri, where she served from 1997 to 2001. Prior to joining the William Jewell faculty, Ms. French was a partner at the law firm of Husch Blackwell Sanders LLP for approximately four years and an executive officer of Payless Cashways, Inc. for approximately 12 years. Ms. French brings a wide variety of experience as an executive officer and general counsel of a public company, a partner in a major law firm and an assistant professor of business administration to the Board. Additionally, Ms. French has particular experience in human resource matters.
William F. Martin, Jr., 2004	63	Mr. Martin retired from Yellow Corporation, now known as YRC Worldwide Inc. (Yellow Corporation), in 2002, after 25 years of service. He had been senior vice president of legal, general counsel and corporate secretary. As a former general counsel and executive officer of a large publicly-traded LTL carrier, Mr. Martin brings to the Board extensive experience in the LTL industry and the regulation and governance of public companies in general.
Björn E. Olsson, 2005	65	Mr. Olsson served on the Resident Management Team at George K. Baum & Company, an investment bank, from September 2001 to September 2004. Prior to that time Mr. Olsson was President and Chief Executive Officer/Chief Operating Officer of Harmon Industries, Inc., a publicly-traded supplier of signal and train control systems to the transportation industry, from August 1990 to November 2000. Mr. Olsson s brings to the Board operational and leadership experience as the Chief Executive Officer of a publicly-traded supplier of equipment to the railroad industry. Additionally, Mr. Olsson s experience as a former director of three public companies and the Chief Financial Officer of a public company in Sweden aids his service to the Board.

Continuing Directors

**CLASS I DIRECTORS CONTINUING IN OFFICE
WHOSE TERMS EXPIRE AT THE 2012 ANNUAL MEETING**

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
Herbert A. Trucksess, III, 2000	61	Mr. Trucksess is Chairman of the Board of Directors of Saia. He was named President and Chief Executive Officer of the Yellow Regional Transportation Group (now Saia, Inc.) in February 2000 and served as Chief Executive Officer until December 2006. Mr. Trucksess is a director of School Specialty, Inc., a publicly-traded provider of educational products and services. Mr. Trucksess brings to the Board more than 25 years of experience in the LTL industry, extensive knowledge of the Company s operations as the Company s former Chief Executive Officer, prior experience as the Chief Financial Officer of Yellow Corporation and experience as a director and audit committee chair of another public company.
James A. Olson, 2002	68	Mr. Olson served as Chief Financial Officer of Plaza Belmont Management Group LLC, a private equity fund, from 1999 to 2006. He retired in March 1999 from Ernst & Young LLP after 32 years. Mr. Olson is a member of the Board of Trustees of Entertainment Properties Trust, a publicly-traded real estate investment trust, and a director of American Century Mutual Funds. Mr. Olson brings to the Board 32 years of experience as a Certified Public Accountant in public accounting with a major public accounting firm. Additionally, his experience as a director and audit committee chair of other public companies aids his service to the Board.
Jeffrey C. Ward, 2006	52	Mr. Ward is a Vice President of A.T. Kearney, Inc., a global management consulting firm. Mr. Ward joined A.T. Kearney, Inc. in 1991. Mr. Ward s experience at A.T. Kearney is focused on the North American transportation market. Additionally, he has experience in a privately-held family LTL company.

**CLASS II DIRECTORS CONTINUING IN OFFICE
WHOSE TERMS EXPIRE AT THE 2013 ANNUAL MEETING**

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
John J. Holland, 2002	61	Mr. Holland is the President of Greentree Advisors, LLC, a business advisory firm. From September 2008 to October 2009, Mr. Holland served as President, Chief Operating Officer and Chief Financial Officer of MMFX Technologies Corporation, a privately-held steel manufacturing firm. Previously, Mr. Holland served as Executive Vice President and Chief Financial Officer of Alternative Energy Sources, Inc., a publicly-traded ethanol company, from August 2006 to June 2008. Prior to that, Mr. Holland was the President and Chief Executive Officer and a director of Butler Manufacturing Company (Butler), a publicly-traded manufacturer of prefabricated buildings, from July 1999 to October 2004 and Chairman of the Board of Directors of Butler from November 2001 to October 2004. Mr. Holland is a member of the Board of Directors of Cooper Tire and Rubber Company and NCI Building Systems, Inc., an integrated manufacturer and marketer of metal products. Mr. Holland brings to the Board operational and leadership experience as the Chief Executive Officer and Chief Financial Officer of a publicly-traded company, experience as a director of other public companies and experience in public accounting as a Certified Public Accountant.
Richard D. O Dell, 2006	49	Mr. O Dell has been President and Chief Executive Officer of Saia, Inc. since December 2006 and has served as President of Saia since July 2006. In 1997, Mr. O Dell joined Saia Motor Freight Line, the operating subsidiary of the Company, as Chief Financial Officer. He continued in that position until his appointment as President and CEO in 1999 of Saia Motor Freight Line. As a long-time employee of the Company, Mr. O Dell brings extensive knowledge and understanding of the Company and the LTL industry to the Board. Additionally, he has experience in public accounting as a Certified Public Accountant.
Douglas W. Rockel, 2002	54	Mr. Rockel has been President, Chief Executive Officer and Chairman of the Board of Directors of Roots, Inc., a private commercial real estate development and investment company, since August 2001. Prior to that, he was a Senior Vice President with ABN Amro Securities (formerly ING Barings) from February 1997 to July 2001.

Mr. Rockel s approximately 15 years of experience as a securities analyst with a particular focus on the transportation industry and his experience with a development and investment company give him significant insight in our industry and in how to build and maintain value for stockholders.

CORPORATE GOVERNANCE

THE BOARD, BOARD MEETINGS AND COMMITTEES

The system of governance practices followed by the Company is memorialized in the charters of the three standing committees of the Board of Directors (the Audit Committee, the Compensation Committee and the Nominating and Governance Committee) and in the Company s Corporate Governance Guidelines. The charters and Corporate Governance Guidelines are intended to provide the Board with the necessary authority and practices to review and evaluate the Company s business and to make decisions independent of the influence of the Company s management. The Corporate Governance Guidelines establish guidelines for the Board with respect to Board meetings, Board composition, selection and election, director responsibility, director access to management and independent advisors and non-employee director compensation.

The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect evolving governance practices and changes in regulatory requirements. The Corporate Governance Guidelines are reviewed annually and were most recently modified by the Board effective July 23, 2009. The Corporate Governance Guidelines and each of the Board s committee charters are available free of charge on the Company s website (www.saia.com) under the investor relations section.

The Company has adopted a Code of Ethics and Business Conduct applicable to all directors, officers and employees, including its principal executive officer, principal financial officer and controller. The Code of Ethics and Business Conduct is filed as Exhibit 14.1 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the Securities and Exchange Commission.

Board Leadership Structure

The Board separated the Chief Executive Officer and Chairman of the Board positions following the 2006 sale of Jevic Transportation, Inc. (Jevic), the Company s hybrid less-than-truckload and truckload carrier business. Prior to the sale, Saia was a holding company comprised of two operating units, Saia Motor Freight Line, LLC (Saia Motor Freight) and Jevic. Following the sale of Jevic, the Board determined that in order to promote Board continuity, Mr. Trucksess, formerly the Company s Chief Executive Officer, would remain as Chairman of the Board and Mr. O Dell, formerly the president and Chief Executive Officer of Saia Motor Freight, would become Chief Executive Officer of the holding company. The Board believes having a separate Chairman and Chief Executive Officer allow each to more fully focus on their applicable responsibilities. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company while the Chairman provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board.

Additionally, the Board created a Lead Independent Director position in order to have a director in a leadership position that was independent under all applicable rules of the NASDAQ Global Select Market and the Securities and Exchange Commission. The Lead Independent Director is elected annually by the independent directors. For 2010, the Lead Independent Director was Björn E. Olsson. The primary responsibilities of the Lead Independent Director are to:

- set jointly with the Chairman of the Board the schedule for Board meetings and provide input to the Chairman concerning the agenda for Board meetings;

- advise the Chairman as to the quality, quantity and timeliness of the flow of information to the non-employee directors;

chair all meetings of the Board at which the Chairman is not present;

coordinate, develop the agenda for, chair and moderate meetings of independent directors and generally act as principal liaison between the independent directors and the Chairman;

provide input to the Board concerning the Chief Executive Officer s performance; and

provide input to the Nominating and Governance Committee regarding the appointment of chairs and members of the various committees.

In addition, the Lead Independent Director has the authority to call meetings of independent directors. If requested by major stockholders, the Lead Independent Director shall make himself reasonably available for direct communication.

Meetings

The Board of Directors held five meetings in 2010. Each director attended at least 75% of the meetings convened by the Board and the applicable committees during such director s service on the Board during 2010, other than Mr. Holland who attended 69% of the Board and applicable committee meetings.

Executive sessions of non-employee directors and separate executive sessions of independent directors are held as part of each regularly scheduled meeting of the Board. The sessions are chaired by the Lead Independent Director.

Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Current Committee memberships are as follows:

Audit Committee	**Compensation Committee**	**Nominating and Governance Committee**
James A. Olson, Chair	Linda J. French, Chair	William F. Martin, Jr., Chair
John J. Holland	William F. Martin, Jr.	John J. Holland
Douglas W. Rockel	Björn E. Olsson	Björn E. Olsson
	Jeffrey C. Ward	Douglas W. Rockel

Audit Committee

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act of 1934). The Audit Committee held five meetings in 2010. The functions of the Audit Committee are described in the Audit Committee charter and include, among others, the following:

review the adequacy and quality of Saia s accounting and internal control systems;

review Saia s financial reporting process on behalf of the Board of Directors;

oversee the entire audit function, both internal and independent, including the selection of the independent registered public accounting firm;

examine the Company s major financial reporting exposures concerning risk assessment and management and the steps management has taken to monitor and control such exposures; and

provide an effective communication link between the auditors (internal and independent) and the Board of Directors.

Each member of the Audit Committee meets the independence and experience requirements for audit committee members as established by The NASDAQ Global Select Market. The Board of Directors has determined that Mr. Olson, Mr. Holland and Mr. Rockel are audit committee financial experts, as defined by applicable rules of the

Securities and Exchange Commission.

Compensation Committee

The Compensation Committee held five meetings in 2010. The functions of the Compensation Committee are described in the Compensation Committee charter and include, among others, the following:

- recommend to the Board the salaries, bonuses and other remuneration and terms and conditions of employment of the Named Executive Officers of Saia;

- supervise the administration of Saia s incentive compensation and equity-based compensation plans; and make recommendations to the Board of Directors with respect to Saia s executive officer compensation policies and the compensation of non-employee directors.

Each member of the Compensation Committee qualifies as (i) an independent director under applicable NASDAQ rules; (ii) an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986 (the Internal Revenue Code), as amended; and (iii) a non-employee director for purposes of Rule 16b-3 of the Securities Exchange Act of 1934.

Nominating and Governance Committee

The Nominating and Governance Committee held three meetings in 2010. The functions of the Nominating and Governance Committee are described in the Nominating and Governance Committee charter and include, among others, the following:

review the size and composition of the Board and make recommendations to the Board as appropriate;

review criteria for election to the Board and recommend candidates for Board membership;

review the structure and composition of Board committees and make recommendations to the Board as appropriate;

develop and oversee an annual self-evaluation process for the Board and its committees;

review the Company s major enterprise risk assessment and management processes for matters other than financial reporting risk matters; and

provide oversight of corporate ethics issues and at least annually assess the adequacy of the Company s Code of Business Conduct and Ethics.

Each member of the Nominating and Governance Committee meets the definition of an independent director under applicable NASDAQ rules.

Risk Oversight

The Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of Company objectives, improve long-term Company performance and create stockholder value. A fundamental part of risk management is understanding the risks the Company faces and what steps management is taking to manage those risks but also understanding what level of risk is appropriate for the Company. The involvement of the full Board of Directors in setting the Company s business strategy and objectives is integral to the Board s assessment of the Company s risk and also a determination of what constitutes an appropriate level of risk for the Company. The full Board of Directors conducts an annual risk assessment of the Company s financial risk, legal/compliance risk and operational/strategic risk and addresses individual risk issues throughout the year as necessary.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, the Board delegates responsibility for certain aspects of risk management to its committees. In particular, the Audit Committee focuses on key business and financial risks and related controls and processes. Per its charter, the Audit Committee discusses with management the Company s major financial reporting exposures concerning risk assessment and management and the steps management has taken to monitor and control such exposures. The Company s Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with the Company s business strategy and objectives and helps ensure that the Company s compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. Finally, the Company s Nominating and Governance Committee is responsible for overseeing the Company s major non-financial reporting enterprise risk assessment and management processes. The Chair of the Nominating and Governance Committee discusses with both the Audit Committee and the Compensation Committee the processes used in the oversight of the non-financial reporting enterprise risk assessment and management processes.

The Board believes its leadership structure enhances overall risk oversight. While the Board requires risk assessments from management, the combination of Board member experience, diversity of perspectives, continuing education and independence of governance processes provide an effective basis for testing, overseeing and supplementing management assessments.

ELECTION OF DIRECTORS

Election to the Company s Board of Directors, in a contested election, shall be by a plurality of the votes cast at any meeting of stockholders. An election will be considered contested in which (i) the Secretary of the Company receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for Director set forth in the Company s Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or before the 10th day before the Company first mails its notice of meeting for such meeting to the stockholders. If Directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

In an uncontested election, Directors shall be elected by a majority of the votes cast FOR and AGAINST at any meeting of stockholders. If an incumbent Director fails to receive a majority of the vote for re-election in an uncontested election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the Director s previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director s resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. The election of directors at the 2011 annual meeting of the Company s stockholders is an uncontested election.

The Board will nominate for election or re-election as Director only candidates who agree to tender, promptly following the meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they will face re-election and (ii) Board acceptance of such resignation. The Board will fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with the Corporate Governance Guidelines.

CONSIDERATION OF DIRECTOR NOMINEES

Director Qualifications

The Corporate Governance Guidelines include director qualification standards which provide as follows:

A majority of the members of the Board of Directors must qualify as independent directors in accordance with the rules of The NASDAQ Global Select Market;

No member of the Board of Directors should serve on the Board of Directors of more than three other public companies;

No person may stand for election as a director of the Company after reaching age 70; and

No director shall serve as a director, officer or employee of a competitor of the Company.

While the selection of qualified directors is a complex, subjective process that requires consideration of many intangible factors, the Corporate Governance Guidelines provide that directors and candidates for director generally should, at a minimum, meet the following criteria:

Directors and candidates should have high personal and professional ethics, integrity, values and character and be committed to representing the best interests of the Company and its stockholders;

Directors and candidates should have experience and a successful track record at senior policy-making levels in business, government, technology, accounting, law and/or administration;

Directors and candidates should have sufficient time to devote to the affairs of the Company and to enhance their knowledge of the Company s business, operations and industry; and

Directors and candidates should have expertise or a breadth of knowledge about issues affecting the Company that is useful to the Company and complementary to the background and experience of other Board members.

In considering whether to recommend any candidate as a director nominee, including candidates recommended by stockholders in accordance with the procedures discussed below, the Nominating and Governance Committee will apply the criteria set forth in the Corporate Governance Guidelines. The Nominating and Governance Committee seeks nominees with a broad range of experience, professions, skills, geographic representation and backgrounds. The Nominating and Governance Committee does not assign specific weights to the criteria and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Governance Committee believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. The Nominating and Governance Committee assesses the effectiveness of the Corporate Governance Guidelines, including with respect to director nominations and qualifications and achievement of having directors with a broad range of experience and backgrounds, through completion of the committee s annual self-evaluation process.

Procedures for Recommendations and Nominations by Stockholders

Stockholder Recommendations

The Nominating and Governance Committee has adopted policies concerning the process for the consideration of director candidates recommended by stockholders. The Nominating and Governance Committee will consider director recommendations from stockholders. Any stockholder wishing to recommend a candidate for consideration should send the following information to the Secretary of the Company, Saia, Inc., 11465 Johns Creek Parkway, Suite 400, Johns Creek, Georgia 30097:

The name and address of the recommending stockholder as it appears on the Company s books;

The number and class of shares owned beneficially and of record by such stockholder, the length of period held and proof of ownership of such shares;

If the recommending stockholder is not a stockholder of record, a statement from the record holder of the shares (usually a broker or bank) verifying the holdings of the stockholder and a statement from the recommending stockholder of the length of time that the shares have been held. (Alternatively, the stockholder may furnish a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the Securities and Exchange Commission reflecting the holdings of the stockholder, together with a statement of the length of time that the shares have been held); and

A statement from the stockholder as to whether the recommending stockholder has a good faith intention to continue to hold the reported shares through the date of the Company s next annual meeting of stockholders.

The recommendation must be accompanied by the information concerning the candidate required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to the Securities Exchange Act of 1934 and rules adopted thereunder, generally providing for the disclosure of:

The name and address of the candidate, any arrangements or understanding regarding nomination, the candidate s business experience and public company directorships during the past five years and information regarding certain types of legal proceedings within the past ten years involving the candidate and a statement of the particular experience, qualifications, attributes or skills that made the candidate appropriate for service on the Board;

The candidate s ownership of securities in the Company; and

Transactions between the Company and the candidate valued in excess of $120,000 and certain other types of business relationships with the Company.

The recommendation must describe all relationships between the candidate and the recommending stockholder and any agreements or understandings between the recommending stockholder and the candidate regarding the recommendation. The nominating recommendation shall describe all relationships between the candidate and any of the Company s competitors, customers, suppliers or other persons with special interests regarding the Company.

The recommending stockholder must furnish a statement supporting its view that the candidate possesses the minimum qualifications prescribed by the Nominating Committee for director nominees, and briefly describing the contributions that the nominee would be expected to make to the board and to the governance of the Company. The recommending stockholder must state whether, in the view of the stockholder, the candidate, if elected, would represent all stockholders and not serve for the purpose of advancing or favoring any particular stockholder or other constituency of the Company.

The nominating recommendation must be accompanied by the consent of the candidate to be interviewed by the Committee, if the Committee chooses to do so in its discretion (and the recommending stockholder must furnish the candidate s contact information for this purpose), and, if nominated and elected, to serve as a director of the Company.

If a recommendation is submitted by a group of two or more stockholders, the information regarding recommending stockholders must be submitted with respect to each stockholder in the group.

The Secretary of Saia will promptly forward such materials to the Nominating and Governance Committee Chair and the Chairman of the Board of Saia. The Secretary will also maintain copies of such materials for future reference by the Committee when filling Board positions.

If a vacancy arises or the Board decides to expand its membership, the Nominating and Governance Committee will seek recommendations of potential candidates from a variety of sources (including incumbent directors, stockholders, the Corporation s management and third party search firms). At that time, the Nominating and Governance Committee also will consider potential candidates submitted by stockholders in accordance with the procedures described above. The Nominating and Governance Committee then evaluates each potential candidate s educational background, employment history, outside commitments and other relevant factors to determine whether he or she is potentially qualified to serve on the Board. The Nominating and Governance Committee seeks to identify and recruit the best available candidates and it intends to evaluate qualified stockholder candidates on the same basis as those submitted by other sources.

After completing this process, the Nominating and Governance Committee will determine whether one or more candidates are sufficiently qualified to warrant further investigation. If the process yields one or more desirable candidates, the Nominating and Governance Committee will rank them by order of preference, depending on their respective qualifications and Saia s needs. The Nominating and Governance Committee Chair, or another director designated by the Nominating and Governance Committee Chair, will then contact the desired candidate(s) to evaluate their potential interest and to set up interviews with the full Nominating and Governance Committee. All such interviews are held in person and include only the candidate and the Nominating and Governance Committee members. Based upon interview results, the candidate s qualifications and appropriate background checks, the Nominating and Governance Committee then decides whether it will recommend the candidate s nomination to the full Board.

Stockholder Nominations

Separate procedures apply if a stockholder wishes to submit a director candidate at an annual meeting. To nominate a director candidate for election at an annual meeting, a stockholder must deliver timely notice of such nomination to the principal executive offices of the Company in accordance with, and containing the information required by, our Bylaws. To be timely, the notice must be received at the Company s principal executive offices no later than the close of business on the 90th calendar day nor earlier than the 120th calendar day prior to the first anniversary date of the immediately preceding year s annual meeting. The Company s Bylaws have been filed with the Securities and Exchange Commission and copies are available from the Company.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board of Directors has adopted procedures for stockholders to send communications to the Board or individual directors of the Company as follows:

Stockholders seeking to communicate with the Board of Directors should submit their written comments to the Secretary of the Company, Saia, Inc., 11465 Johns Creek Parkway, Suite 400, Johns Creek, Georgia 30097. The Secretary of the Company will forward all such communications (excluding routine advertisements and business solicitations and communications which the Secretary of the Company, in his or her sole discretion, deems to be a security risk or for harassment purposes) to each member of the Board of Directors, or if applicable, to the individual director(s) named in the correspondence. Subject to the following, the Chairman of the Board and the Lead Independent Director will receive copies of all stockholder communications, including those addressed to individual directors, unless such communications address allegations of misconduct or mismanagement on the part of the Chairman. In such event, the Secretary of the Company will first consult with and receive the approval of the Lead Independent Director before disclosing or otherwise discussing the communication with the Chairman.

The Company reserves the right to screen materials sent to its directors for potential security risks and/or harassment purposes and the Company also reserves the right to verify ownership status before forwarding stockholder communications to the Board of Directors.

The Secretary of the Company will determine the appropriate timing for forwarding stockholder communications to the directors. The Secretary will consider each communication to determine whether it should be forwarded promptly or compiled and sent with other communications and other Board materials in advance of the next scheduled Board meeting.

Stockholders also have an opportunity to communicate with the Board of Directors at the Company s annual meeting of stockholders. The Company s Corporate Governance Guidelines provide that absent unusual circumstances, directors are expected to attend all annual meetings of stockholders. Each of the directors then-serving on the Board attended the Company s 2010 annual meeting of stockholders.

STOCK OWNERSHIP

Directors and Executive Officers

The following table sets forth the amount of Saia s common stock beneficially owned by each director and each executive officer named in the Summary Compensation Table on page 31 and all directors and executive officers as a group, as of February 28, 2011. Unless otherwise indicated, beneficial ownership is direct and the person indicated has sole voting and investment power.

Name of Beneficial Owner	Common Stock Beneficially Owned: Shares Beneficially Owned(1)	Rights to Acquire Beneficial Ownership(2)	Total	Percent of Class(3)	Share Units Held Under Deferral Plans(4)
Linda J. French	3,929		3,929	*	12,373
John J. Holland	1,079	12,500	13,579	*	18,579
William F. Martin, Jr.	700		700	*	13,156
Richard D. O Dell	52,862	66,556	119,418	*	41,566
James A. Olson	1,037	12,500	13,537	*	20,731
Björn E. Olsson	2,000		2,000	*	16,171
Douglas W. Rockel	2,075	12,500	14,575	*	18,748
Herbert A. Trucksess, III.	243,810	25,840	271,678	1.53%	
Jeffrey C. Ward	4,000		4,000	*	14,110
Anthony D. Albanese(5)	18,000	47,910	65,910	*	39,685
James A. Darby	9,660	15,400	25,060	*	24,894
Sally R. Buchholz	4,938	11,380	16,318	*	14,679
Brian A. Balius		9,990	9,990	*	7,518
Stephanie R. Maschmeier				*	3,846
Mark H. Robinson	7,340	17,560	24,900	*	11,712
All directors and executive officers as a group (15 persons)	351,430	232,136	583,566	3.67%	257,768

* Denotes less than 1%

(1) Includes common stock owned directly and indirectly.

(2) Number of shares that can be acquired on February 28, 2011 or within 60 days thereafter through the exercise of stock options. These shares are excluded from the Shares Beneficially Owned column.

(3) Based on the number of shares outstanding on February 28, 2011 (15,900,245) and includes the number of shares subject to acquisition by the relevant beneficial owner within 60 days thereafter. Including the number of shares subject to acquisition by the relevant beneficial owner pursuant to the Company s Directors Deferred Fee Plan or Executive Capital Accumulation Plan upon such beneficial owner s termination of services as a Director or

employee, the Percent of Class for all directors and executive officers as a group equals 5.37%.

(4) Represents phantom stock units, receipt of which has been deferred pursuant to the Company s Directors Deferred Fee Plan or Executive Capital Accumulation Plan. The value of the phantom stock units deferred pursuant to the Company s Directors Deferred Fee Plan or Executive Capital Accumulation Plan track the performance of the Company s common stock and the phantom stock units are payable in stock upon the relevant beneficial owner s termination of service as Director or employee.

(5) Anthony D. Albanese is no longer an employee of the Company. His stock ownership reflected in the above table is current as of his last Form 4 filed with the SEC on March 8, 2010.

SAIA, INC.
COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The following provides an overview of Saia, Inc. s (Saia or the Company) compensation philosophy and programs. Details about the compensation awarded to Saia s Named Executive Officers can be found in the Summary Compensation Table and related compensation tables.

Saia focuses pay on performance, results and currently depressed industry fundamentals.

All elements of our compensation programs are targeted to provide compensation opportunity at the median of our peer group. Actual payouts under these programs can be above or below the median based on Company and personal performance. As a result of the economic environment and the Company s financial performance over the past couple of years, compensation paid to the executives listed in the Summary Compensation Table (the Named Executive Officers) was reduced and the Company eliminated the annual incentive plan and 401(k) savings plan match. The Company intends to reinstate salary and wage reductions, the annual incentive plan and the 401(k) savings plan match as financial performance improves.

Saia aligns executives interests with those of our shareholders.

The following elements comprise the total compensation awarded to Saia s Named Executive Officers: base salary, cash-based annual incentive awards, equity- based long-term incentive awards consisting primarily of performance units and stock options, various other benefits and perquisites and severance benefits. The Company designs executive compensation policies to link pay with performance and to attract, motivate, reward and facilitate the retention of executive talent required to achieve corporate objectives. The Named Executive Officers receive fewer perquisites than the Company s peers. The Amended and Restated 2003 Omnibus Incentive Plan, as amended (the 2003 Omnibus Plan) strictly prohibits re-pricing of stock options. The Named Executive Officers who appear in the compensation tables of this 2011 Proxy Statement are:

Richard D. O Dell, President & Chief Executive Officer

James A. Darby, Vice President of Finance & Chief Financial Officer

Sally R. Buchholz, Vice President of Marketing & Customer Service

Mark H. Robinson, Vice President of Information Technology & Chief Information Officer

Brian A. Balius, Vice President of Linehaul & Industrial Engineering

Anthony D. Albanese, former Sr. Vice President of Sales & Operations

Saia s compensation programs do not encourage excessive risk-taking.

Saia s compensation programs have a reasonable mix of short- and long-term compensation which do not encourage excessive risk-taking. The risk assessment is described in detail in the Risk Assessment in Compensation Programs section.

Saia strongly supports share ownership by its executives.

The Company has adopted stock ownership guidelines that specify that executives hold shares with a value of between two and five times the executive s base salary, depending on the executive s position. The Company s share ownership guidelines reflect the value of shares held by executives and can be met through direct or beneficial ownership of shares.

Saia s post-employment compensation is reasonable.

Executive Severance Agreements with the officers described in Section 16(a) of the Securities Exchange Act of 1934, as amended (the Section 16 Reporting Officers) (the only employees with such agreements) include a double trigger, meaning they provide for severance payments and other benefits only if there is a change in control of the Company and within two years thereafter the executive s employment is terminated involuntarily (other than for cause) or voluntarily with good reason. The employment agreement with Saia s CEO, which includes a noncompete covenant, is reviewed annually by the Compensation Committee of the Board of Directors (the Committee) with input from the independent consultant and the Company s legal counsel for reasonableness relative to general industry practices.

Saia has implemented a Compensation Recovery (clawback) Policy.

In 2007, the Board of Directors adopted a formal policy that provides that the Company will, to the extent permitted by governing law, require reimbursement of all or a portion, as applicable, of any performance-based compensation paid to any participant in the Company s long-term incentive plans where (a) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a material restatement, and (b) a lower payment, or no payment, would have been made to the participant based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which the individual participant s performance-based compensation exceeded the amount that would have been paid based on the restated financial results, plus a reasonable rate of interest.

Saia s Compensation Committee members are independent.

None of the members of the Committee have relationships with the Company or its management other than as directors of the Company. All the Committee members are experienced in making executive compensation decisions and making fact-based judgments.

Executive Compensation Philosophy and Oversight

Saia s executive compensation philosophy is determined by the Committee. The Committee believes that the executive compensation program should link pay with performance and should attract, motivate, reward and facilitate the retention of the executive talent required to achieve corporate objectives, especially to create value for the Company s shareholders. To this end, Saia integrates several key compensation components that are designed to align rewards with the short- and long-term performance of the Company and of each executive. These components are:

Component	**Objective**
Base Salary Cash	Provide a fixed form of executive compensation for performing daily responsibilities.
Annual Incentives Cash	Motivate and reward executives for achieving specific annual corporate objectives.
Long-Term Incentives Stock and Stock Options	Motivate and reward executives for achieving over a three- to seven- year period shareholder value creation and superior performance in the industry and for executive retention.
Other Benefits and Perquisites Various Forms	Provide benefits consistent with benefits paid by similar companies and for executive retention.
Post-Employment Compensation Cash and Benefits	Promote recruitment and retention and, as to the CEO, support non-competition, non-disclosure, non-solicitation agreements.

The executive compensation program is administered by the Committee, which is made up entirely of independent directors. A complete description of the Committee s responsibilities is provided in the Committee s Charter which is approved by the Board of Directors and can be found on the Company s website (www.saia.com) under the investor relations section.

The Committee annually reviews the Company s compensation philosophy, the overall design of the compensation program and the design elements of each component of compensation. In making annual decisions about compensation for the Named Executive Officers as described in the table above, the Committee takes the following factors into consideration, although none of these factors are determinative individually or in the aggregate:

- The competitive environment for recruiting and retaining senior executives, including trends, best practices, and executive compensation paid by relevant competitors (peer group data);
- The individual s performance, experience and future advancement potential;
- The Company s performance in the last twelve to twenty-four months, as well as the strategic plan for future periods;
- The current economic conditions and the competitive market environment in which the Company operates;
- The Company s stock ownership and retention policies;
- Each Named Executive Officer s historical total compensation, including the value of all outstanding equity awards granted to the Named Executive Officer, and future compensation opportunities; and
- Internal pay equity.

The Committee uses peer group data as a means to test external equity. That, coupled with the internal equity analysis, helps to promote overall, fundamental fairness in the program. The desire to achieve fundamental fairness drives the design, levels and components of the reward system. The Committee then tailors the program as needed in a given year to reflect Company needs and individual contributions and performance, present and future.

The Committee has retained Mercer US, Inc. (Mercer) as its executive compensation consultant to provide information, analyses and advice regarding executive and director compensation. During 2010, Mercer provided services regarding the following matters: assistance in the selection and evaluation of the companies included in the peer group for executive and director compensation analysis, recommendations on compensation for the Company s executives, market data and analysis on short-term and long-term incentive programs, evaluation of the types and amounts of perquisites for executives, review of executive severance and employment agreements and recommendations on non-employee director compensation.

The Company retained Marsh USA, Inc., an affiliate of Mercer, to serve as broker for certain insurance services in 2010 and intends to continue that relationship in 2011. These services have been approved by the Board of Directors.

Because of the policies and procedures Mercer and the Committee have in place, the Committee is confident that the advice it receives from the individual Mercer consultant is objective and not influenced by Mercer s or its affiliate s relationships with the Company. These policies and procedures include:

- The individual consultant receives no incentive or other compensation based on the fees charged to the Company for other services provided by Mercer or any of its affiliates;
- The consultant is not responsible for selling other Mercer or affiliate services to the Company;
- Mercer s professional standards prohibit the individual consultant from considering any other relationships Mercer or any of its affiliates may have with the Company in rendering his or her advice and recommendations;

The Committee has the sole authority to retain and terminate the executive compensation consultant;

The consultant has direct access to the Committee without management intervention;

The Committee evaluates the quality and objectivity of the services provided by the individual consultant each year and determines whether to continue to retain the consultant; and

The protocols for the engagement (described below) limit how the individual consultant may interact with management.

While it is necessary for the consultant to interact with management to gather information, the Committee has adopted protocols governing if and when the consultant s advice and recommendations can be shared with management. The Committee regularly meets with the Mercer consultant outside the presence of management to discuss executive compensation philosophy and specific levels of compensation and to ensure that Mercer receives from management the information required to perform its duties. The Committee formally evaluates the performance of Mercer on an annual basis and may terminate the services of Mercer at any time.

Risk Assessment in Compensation Programs

Consistent with new SEC disclosure requirements, the Committee has assessed the Company s compensation programs and has concluded that the Company s compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. The Committee assessed the Company s executive and broad-based compensation and benefits programs to determine if the programs provisions and operations create undesired or unintentional risk of a material nature. Although the Committee reviewed all executive compensation programs, it focused on the programs with variability of payout, with the ability of a participant to directly affect payout and the controls on participant action and payout. Saia s culture supports the use of base salary, performance-based compensation, and retirement plans that are generally uniform in design and operation throughout the Company and with all levels of salaried employees.

The Committee does not believe Saia s incentive compensation arrangements encourage employees to take unnecessary or excessive risks. As described in detail above, for the Company s senior executives, the Committee believes it has established a reasonable mix of short- and long-term compensation, particularly incentive compensation. The short-term incentive is in the form of salary and a cash bonus that is capped to eliminate windfall payouts. One-half of the long term incentive is in the form of performance unit plan grants that are based on Company stock price performance over a three-year period, rewarding longer-term financial performance. Performance unit awards are settled in shares of the Company s common stock and the number of shares that can be received is capped. Profit earned upon exercising stock options, as well as stock received under the performance unit plan grants, are subject to the stock ownership guidelines discussed below, further aligning the long-term interests of management with that of shareholders. As discussed above, the Board has also implemented a compensation recovery policy to provide for reimbursement of performance-based compensation in certain instances. The Company also has incentive plans that are structured to cap potential incentive payments as well as processes to monitor and control that sales transactions subject to sales incentive plans meet specific Company defined criteria.

Based on the foregoing, the Committee believes that Saia s compensation policies and practices do not create inappropriate or unintended significant risk to the Company as a whole. The Committee also believes that Saia s incentive compensation arrangements provide incentives that do not encourage risk-taking beyond the organization s ability to effectively identify and manage significant risks; are compatible with effective internal controls and the risk management practices of Saia; and are supported by the oversight and administration of the Compensation Committee with regard to executive compensation programs.

Peer Group

To assist the Compensation Committee in determining the appropriate compensation design, levels and components for the Company s executive officers, the Committee annually reviews compensation data for similar positions at other comparable, like-sized companies in the transportation industry. The peer group companies are selected with input from Mercer and are comprised of U.S. publicly-traded transportation companies with annual revenues of approximately one-half to two times Saia s revenues. The Committee focuses on revenue because of the correlation between pay levels and company size as measured by revenue.

The specific peers included in the review for 2010 were:

Company	Industry	2009 Revenues (In millions)
Air Transport Services Group, Inc.	Air Freight & Logistics	$ 823
Arkansas Best Corporation	Trucking	$ 1,473
Celadon Group, Inc.	Trucking	$ 523
Covenant Transportation Group, Inc.	Trucking	$ 589
Genesee & Wyoming Inc.	Railroad	$ 545

Company	**Industry**	**2009 Revenues (In millions)**
Heartland Express Inc.	Trucking	$ 460
Horizon Lines Inc.	Marine	$ 1,158
Hub Group Inc.	Air Freight & Logistics	$ 1,511
Kirby Corporation	Marine	$ 1,082
Kansas City Southern	Railroad	$ 1,480
Knight Transportation, Inc.	Trucking	$ 652
Landstar System Inc.	Trucking	$ 2,009
Marten Transport, Ltd.	Trucking	$ 506
Old Dominion Freight Line, Inc.	Trucking	$ 1,245
Pacer International Inc.	Air Freight & Logistics	$ 1,574
Quality Distribution Inc.	Trucking	$ 614
Universal Truckload Services, Inc.	Trucking	$ 503
USA Truck, Inc.	Trucking	$ 382
Vitran Corporation	Trucking	$ 629
Werner Enterprises, Inc.	Trucking	$ 1,666
Saia, Inc.	**Trucking**	**$ 849**

Some of the peer group companies have extensive stock ownership by executives. If the ownership amounts were disclosed by the peer group company to have a material impact on executive compensation levels, the specific compensation element is excluded from the competitive data and associated analysis.

2009, 2010 and 2011 Executive Compensation Decisions

Total Compensation

Based on the Committee s annual reviews for 2009, 2010 and 2011, the Committee has concluded that the amounts payable to each Named Executive Officer under each individual element, as well as the Named Executive Officer s total compensation in the aggregate, were reasonable given current Company performance and were consistent with the recommendations of Mercer. The Committee further concluded that the Company s executive compensation program met the objectives of attracting, retaining, motivating, and rewarding talented executives who can contribute to Saia s long-term success and thereby build value for shareholders. Decisions with respect to each component of executive compensation are described below.

Base Salary

The Committee has selected the market 50th percentile (using the peer group listed above) as the targeted positioning for base salaries of the Company s executives. For 2010, Mercer s analysis showed the Company s executive base salaries were generally well below the 50th percentile, although, in the view of the Committee, within a reasonable range of the 50th percentile considering current economic conditions. For each Named Executive Officer, the Committee also considered the factors bulleted under Executive Compensation Philosophy and Oversight, giving special attention to individual and Company performance, experience, future advancement potential, impact on Saia s results, pay mix, internal equity, and the importance of executive retention. Based on the current economic environment, Company performance and the Company s strategic plan, the Named Executive Officers did not receive an increase in base salary in 2009 or 2010. In April 2009, Saia executives took a 5% reduction in base salary and a 10% reduction in total compensation. The reduction was made as a result of significant competitive and financial challenges faced in 2009 and was part of a Company-wide reduction of compensation. This reduction remained in effect for base compensation throughout 2010 and going into 2011. This places the Company further below the targeted 50th percentile level, and the Committee intends to address this discrepancy over time as the economy and Company performance improve.

Annual Incentives

The Annual Incentive Plan provides all officers and other salaried Company employees the opportunity to receive cash payments. The plan sets out a threshold, target and maximum payout level for each executive and an associated performance goal to achieve the payout levels. Due to challenged industry and economic conditions, the

Company did not implement a 2010 annual incentive plan and does not expect to have an annual incentive plan in 2011. Should business conditions improve and after reinstatement of the 401(k) savings plan match and wage and salary reductions, the Company plans to reconsider establishing an annual or partial year incentive plan for 2011.

For 2009 (the last year the annual incentive plan was in place), the potential payout levels for current Named Executive Officers were as follows:

	Payout as a % of Base Salary		
Named Executive Officer	**Threshold**	**Target**	**Maximum**
Richard D. O Dell	17.5%	70%	140%
James A. Darby	11.25%	45%	90%
Sally R. Buchholz	10.0%	40%	80%
Mark H. Robinson	10.0%	40%	80%
Brian A. Balius	7.5%	30%	60%

The Committee uses the market 50th percentile (using the peer group listed above) as the target positioning for the annual incentive plans. The Committee strives to set the threshold, target and maximum performance goals at levels such that the relative likelihood that Saia will achieve such goals remains consistent from year to year. It is the intent of the Committee that the threshold goals should be attainable a majority of the time, target goals should, on average, be reasonably expected to be achieved and that maximum goals should be attained a minority of the time. These levels of expected performance are taken into consideration in the compensation philosophy and evaluation of compensation previously discussed. Establishing the expected performance goals relative to these criteria is inherently subject to considerable judgment on the part of the Committee. When making these judgments the Committee considers the Company s past performance, the volatility of the performance, the budget, current economic conditions and other forecasts of future results.

Historically, the annual incentive goals are set by the Committee for the Named Executive Officers based on a combination of two measures. Corporate earnings per share was the basis for 75% of the annual incentive and operating ratio improvement as compared to a competitor group was the basis for 25% of the incentive. Earnings per share was selected to align the goal with shareholder interests and competitive practices. Operating ratio improvement was chosen as a measure based on the Company s focus on improving relative profitability. The comparison group for measuring operating ratio improvement was comprised of four non-union less-than-truckload publicly traded companies: Old Dominion Freight Line, Inc., Con-way, Inc., Vitran Corporation, Inc., and FedEx Freight (less-than-truckload subsidiary of FedEx). These four companies were selected because their operations are most directly comparable to the Company s and they are non-union publicly traded entities. The Company s operating ratio improvement is measured relative to the comparison group s average operating ratio improvement. For the last year that the annual incentive plan was in place in 2009, the specific earnings per share and operating ratio improvement measures were as follows:

Annual Incentive Targets for 2009

Measure	**Threshold**	**Target**	**Maximum**
Earnings per share (75% of total award)	$ 0.85	$ 1.55	$ 2.48
Operating Ratio Improvement (as a % compared to peer group performance)(25% of total award)	0%	(0.50)%	(1.50)%

The combination of the two measures is only applicable to the Company s officers. For all other salaried employees, the payout of the annual incentive is based only on the achievement of the earnings per share goals. The officers are only eligible to receive payment on the operating ratio measure if overall the Company has achieved the threshold earnings per share measure.

Due to challenged industry and economic conditions, the Company did not approve a 2010 annual incentive plan. The Committee then reviewed the business conditions at a June 2010 meeting and determined that there would continue to be no 2010 annual incentive plan. Due to the continuation of challenged industry and economic conditions, the Company has not approved a 2011 annual incentive plan. Should business conditions improve, the Committee plans to reconsider establishing an annual or partial year 2011 incentive plan.

Over the past five years Saia has exceeded target annual incentive goals two times but has not achieved the maximum performance goals. The payout percentages over the past five years have been between zero and approximately 106% of an executive s target incentive opportunity.

Long-Term Incentives

Under the authority granted in the 2003 Omnibus Plan, the Committee has chosen to provide long-term incentives to the executive officers as a means to stimulate performance superior to other companies in Saia s industry, to tie compensation to shareholder value creation and to encourage executive retention. All Company officers are eligible to participate in the long-term incentive program. For 2009, 2010 and 2011 (anticipated), 50% of a Named Executive Officer s long-term incentive opportunity was granted in performance units and 50% in stock options (valued using the Black-Scholes option pricing model). This mix of awards was selected to balance the focus between relative and absolute stock performance and reflects competitive practices. Assuming the shareholders approve the new 2011 Omnibus Plan, the Committee anticipates granting new stock options and performance unit awards consistent with grants in 2009 and 2010, as described below. The Committee also made a special grant of restricted stock units in 2008 to Mr. O Dell to facilitate executive retention, as described under the heading Restricted Stock. For 2010 and 2011 (anticipated), the target long-term incentive as a percentage of base salary for the Named Executive Officers is as follows:

Named Executive Officer[1]	
Richard D. O Dell, President & Chief Executive Officer	80%
James A. Darby, Vice President of Finance & Chief Financial Officer	53%
Sally R. Buchholz, Vice President of Marketing & Customer Service	53%
Mark H. Robinson, Vice President of Information Technology & Chief Information Officer	53%
Brian A. Balius, Vice President of Linehaul & Industrial Engineering	40%

To determine the total value of the long-term incentives granted to each Named Executive Officer each year, the Committee has utilized market data prepared by Mercer. Mercer has analyzed the types and median targets of long-term incentives granted to comparable officers at the peer group companies detailed in the Peer Group section above. The Committee has then used the Mercer analysis and pay mix, position, and internal equity factors to determine the appropriate target percentages of base compensation and the value of the long-term incentive for each officer.

Once the targets and values were determined, the key elements of the awards were established, as described below.

Stock Options

The role of stock options is to reward executives for increasing absolute long-term shareholder value. The value of each stock option award is equal to 50% of the target long-term incentive award for the executive using the Black-Scholes option pricing model. Stock option grants have historically been awarded in the first quarter of the fiscal year. The Company has a policy to make annual equity awards to the Company s executive officers, including the Named Executive Officers, on the third trading day following the release of the Company s financial results for the prior fiscal year. The exercise price of the stock options is equal to the closing share price of Saia common stock on NASDAQ on the grant date. The 2003 Omnibus Plan strictly prohibits re-pricing of stock options. All stock options granted to date have been non-qualified stock options.

Stock options granted in 2009, 2010 and 2011 (anticipated) have a three-year cliff vesting schedule and a seven-year term. The only exception to this vesting and term schedule was a special grant of 19,990 options to Mr. O Dell made in February 2007 in recognition of his promotion to CEO. These options have a ten-year term and vest one-third on each of the third, fourth and fifth anniversary of grant. All stock options granted to date vest on the basis of passage of time, subject to earlier vesting upon a change of control and, as to Mr. O Dell, subject to his

[1] Mr. Albanese is not included in the above table as a result of the termination of his employment on June 30, 2010. As a result of his termination, Mr. Albanese forfeited his long-term incentive award for 2010 and is not eligible for an award in 2011.

employment agreement described below. The Committee believes time-vested awards encourage long-term value creation and executive retention because generally executives can realize value from such awards only if the Company s stock price increases and they remain employed at Saia at least until the awards vest. Providing for a vesting period over a number of years also helps ensure against executives taking excessive or unnecessary risks that might threaten the long-term value of the Company.

In February 2010, the Company granted a total of 57,890 stock options to the Named Executive Officers, representing 61% of the total stock options granted at that time. Stock options granted in February 2010 have an exercise price equal to the market closing price of Saia stock on the date of grant and a three-year cliff vesting schedule and a seven-year term. The grant date fair value of the stock options was determined using the Black-Scholes option pricing model with the following assumptions:

risk free interest rate of 2.37%;

expected life of five years;

expected volatility of 58.04%; and

a dividend rate of zero.

The Company is seeking shareholder approval of the 2011 Omnibus Plan at the annual meeting. Assuming the shareholders approve the new plan, the Committee intends to grant stock options for 2011 after first quarter earnings are announced. At this time, the Committee has not determined the precise number of options that will be granted or the recipients, although it expects the number of options to be granted and the recipients to be generally consistent with prior years. The Committee uses a Black-Scholes model to determine grant levels.

Performance Units

The remaining 50% of the Named Executive Officer s long-term incentive opportunity is awarded in performance units. The role of performance units is to reward executives for long-term value creation relative to peer companies. Since the size of the peer companies is not critical in assessing relative total shareholder returns, the peer group used for performance unit comparison is broader than the peer group used for determining base salaries and other long-term incentives. The peer group includes public companies in the broader transportation industry because this provides a wider spectrum from which to determine rewards tied to the creation of longer-term shareholder value. The peer companies are as follows:

Arkansas Best Corporation.

Celadon Group, Inc.

CH Robinson Worldwide, Inc.

Con-Way, Inc.

Covenant Transport, Inc.

FedEx Corporation

Forward Air Corporation

Frozen Food Express Industries, Inc.

Heartland Express, Inc.

Hub Group, Inc.

J.B. Hunt Transport Services, Inc.

Knight Transportation, Inc.

Landstar Systems, Inc.

Marten Transport, Ltd.

Old Dominion Freight Line, Inc.

Pacer International, Inc.

P.A.M. Transportation Services, Inc.

Patriot Transportation Holding, Inc.

Quality Distribution, Inc.

Ryder System, Inc

United Parcel Service, Inc.

Universal Truckload Services, Inc.

USA Truck Inc.

UTi Worldwide, Inc.

Vitran Corporation

Werner Enterprises, Inc.

YRC Worldwide, Inc.

The following peer companies were added to the peer group for the performance period beginning in 2010 and are included for the performance period beginning in 2010 to expand the peer group to include certain companies from other parts of the transportation industry.

Air Transport Services Group, Inc.

Genesee & Wyoming, Inc.

Horizon Lines, Inc.

Kansas City Southern

Kirby Corporation

The period of measurement for total shareholder return for each performance unit award is three years. The number of shares that are paid to a participant with respect to the three-year performance period is based on the total shareholder return of Saia compared to the total shareholder return of the identified peer companies. Total shareholder return is calculated by taking the average closing common stock prices for the last 60 days prior to the beginning of the performance period and comparing it to the average closing common stock prices for the last 60 days prior to the end of the performance period. At the end of the performance period, the percentile rank of the Company s total shareholder return is calculated relative to the total shareholder return of each of the peer companies. Any peer company that is no longer publicly traded is excluded from this calculation. Over the performance periods beginning in 2009, 2010 and 2011 (anticipated), the payouts will be determined as follows:

Percent Rank of Saia s Total Shareholder Return Compared to Peer Companies	Payout Percentage of Target Incentive
At 75th percentile or higher	200%
At 50th percentile	100%
At 25th percentile	25%
Below 25th percentile	0%

Because the amount of an executive s payout is based on the Company s total shareholder return compared to that of members of a peer group over a three-year period, the exact amount of the payout (if any) cannot be determined at this time. Assuming the shareholders approve the 2011 Omnibus Plan at the annual meeting, the Committee intends to make the performance unit plan grants for the performance period beginning in 2011 following the annual meeting and generally consistent with prior year practice.

The payout associated with the Company s percentile rank is based on the chart above with payouts interpolated for performance between the 25th and 50th percentiles and the 50th and 75th percentiles. If the Company s total shareholder return for the performance period is negative, no payouts are made regardless of the Company s percentile rank. The Committee believes providing such performance units that are valued based on the Company s total shareholder return is important to align the incentive value with the interest of shareholders, since the value of performance units is contingent on the relative performance of the Company s total shareholder return over the three-year measurement period. Aligning the incentive value with the interest of shareholders further helps to ensure against executives taking excessive or unnecessary risks that might threaten the long-term value of the Company.

Payouts for the performance units are made in stock in order to reduce earnings volatility associated with the cash based awards. The number of shares paid is based on the number of target shares in the executive s award agreement and the Company s total shareholder return relative to the peers as described above. No payout was made on performance units granted for the performance period 2007-2009 since total shareholder return for this period was negative. A payout of 153% of target was made in February 2011 on performance units granted for the performance period beginning in 2008. Performance unit awards are not scheduled to be paid out, if at all, until the first quarter of 2012 for the performance period beginning in 2009, the first quarter of 2013 for the performance period beginning in 2010 and the second quarter of 2014 for the performance period anticipated to begin in 2011.

See the Potential Payments Upon Termination or Change in Control section for a description of the effect of termination of employment or a change in control of the Company on the performance units and options awarded to the Named Executive Officers.

Restricted Stock

In 2008, the Committee addressed concerns about the impact of market volatility on long-term executive retention. Following an evaluation with the assistance of Mercer regarding various approaches to promote retention, the Committee approved a grant of 34,000 shares of restricted stock to Mr. O Dell. This grant coincided with the grant date of stock options in February 2008. On February 1, 2011, 25% of Mr. O Dell s 2008 restricted stock award vested. On February 1, 2012, another 25% will vest and the balance will vest on February 1, 2013 assuming Mr. O Dell has been in continuous service to the Company since the award date. See the Potential Payments Upon Termination or Change in Control section for a description of the restricted stock to be awarded to Mr. O Dell upon his termination of employment or a change in control of the Company.

Other Benefits and Perquisites

Benefits

The Company provides certain benefits to substantially all employees, including the Named Executive Officers. These benefits include paid holidays and vacation, medical, disability and life insurance and a defined contribution retirement plan. The defined contribution retirement plan is a 401(k) savings plan to which employees may elect to make pre-tax contributions. The Company has the discretion to match 50% of all employee contributions, up to a maximum employee contribution of six percent of annual salary. Due to the current economic conditions, the Company elected to temporarily suspend the matching contribution for all employees, including executive officers, starting in February 2009. The Company has announced that effective April 1, 2011, Saia intends to reinstate half the 401(k) savings plan contribution match, thus matching 25% of employee contributions for the first six percent of annual salary. As economic and industry conditions change and the Company s performance improves, the Company intends to reinstate the match up to its original percentage.

Deferred Compensation Plan

In addition to the benefits provided to all employees, the Company has established for officers (including all of the Named Executive Officers) and certain other employees an Executive Capital Accumulation Plan which is a non-qualified deferred compensation plan. The deferred compensation plan was implemented to motivate and ensure the retention of key employees by providing them with greater flexibility in structuring the timing of their compensation and tax payments. The Committee believes that the Company s deferred compensation plan provides a valuable benefit to senior executives while resulting in minimal costs to the Company.

Pursuant to the Capital Accumulation Plan, the Company has prior to 2009, made an annual discretionary contribution for each participant that is equal to five percent of his or her base salary and annual incentive payment. In addition, to the extent a participant s contribution to the 401(k) savings plan is limited under restrictions placed on Highly Compensated Employees under ERISA, the participant may elect to contribute the limited amount to the 401(k) savings plan and the difference to the Capital Accumulation Plan. To the extent the Company is unable to match participant contributions under the 401(k) savings plan because of the ERISA limitations, the matching contributions will be made by the Company to the Capital Accumulation Plan. The Company s regular annual five percent contribution has a five year vesting period. Due to the current economic conditions, the Company elected to not make the annual discretionary contribution for 2009 and 2010 and will reassess that decision as to 2011 and future periods as economic and industry conditions change and the Company s performance improves.

The Capital Accumulation Plan also allows the participant to make an elective deferral each year of up to 50% of base salary and up to 100% of any annual incentive plan payment. The participant must irrevocably elect the base salary deferral before the beginning of the year in which compensation is being made and the annual incentive deferral no later than six months into the performance period.

The plan provides the same investment options to participants as are available under the 401(k) savings plan, except that participants may also elect to invest in Saia stock under the plan. Participants may elect to transfer balances between investment options without restriction at any time throughout the year, except that any investment in Saia stock is an irrevocable election and upon distribution that investment will be paid out in Saia stock, rather than cash. Vested plan balances become distributable to the participant upon termination of employment.

Perquisites

The types and amounts of perquisites have been determined by the Committee with input from Mercer based on perquisites granted to comparable officers by companies in the peer group applicable to base salary. The Company provides these perquisites because many companies in the peer group provide similar perquisites to their Named Executive Officers, and the Committee believes they are necessary for retention purposes. The Committee reviews the perquisites provided to the Named Executive Officers in an attempt to ensure that the perquisites continue to be effective in the retention of executive talent and appropriate in light of the Committee s overall goal of designing a compensation program that maximizes the interest of Saia s shareholders.

The perquisites provided to the Named Executive Officers include the following (see the All Other Compensation column of the Summary Compensation Table):

Car allowance ($7,200 annual maximum per Named Executive Officer),

Financial/legal planning ($5,000 annual maximum for Mr. O Dell and $4,000 annual maximum for each other Named Executive Officer), none of which was utilized during the respective periods,

Executive term life insurance ($1,000,000 policy for Mr. O Dell and $500,000 policies for each other Named Executive Officer) and

Country club membership (no maximum amount and provided only to Mr. O Dell).

Post-Employment Compensation

The Committee believes that severance and change in control arrangements are an important part of overall compensation for the Named Executive Officers because they help to secure the continued employment and dedication of the Named Executive Officers notwithstanding any concern they might have regarding their own continued employment prior to or following a change in control. The Committee also believes that these arrangements are important as a recruitment and retention device, as most of the companies with which Saia competes for executive talent have similar agreements in place for their senior employees. The Committee annually reviews the material terms of the agreements to ensure they are consistent with the Company s compensation philosophy.

Executive Severance Agreements

The Company has entered into severance agreements with each of the Section 16 Reporting Officers. These agreements include a double trigger, meaning they provide for severance payments and other benefits upon a change in control of the Company only if after the change of control the executive s employment is terminated involuntarily (other than for cause) or voluntarily with good reason. The material terms of the executive severance agreements are reviewed annually by the Committee with input from Mercer and outside legal counsel to confirm that they remain generally consistent with competitive practices. The Committee believes these agreements reward service and tenure and recognizes the need for financial security for key executives when employment ends. Rewards focus on our ongoing needs within the changing landscape of the transportation industry.

The payments to be made to the Named Executive Officers upon termination of employment or a change in control of the Company under the executive severance agreements are described in the Potential Payments Upon Termination or Change in Control section.

Employment Agreements

In order to provide an incentive for executive retention and to help support certain non-competition and non-solicitation provisions, the Company enters into an employment agreements with certain of its executive officers.

Currently, Mr. O Dell is the only Named Executive Officer with an employment agreement with the Company. Mr. O Dell s employment agreement is for a two-year term (renewing daily) and provides for a minimum base salary. Subject to the minimum base salary, the Committee may set Mr. O Dell s salary at any level it deems appropriate and the Committee evaluates and sets the base salary on an annual basis. The employment agreement includes a severance payment and benefits to Mr. O Dell in the event of his employment termination under certain circumstances. All severance payments and benefits pursuant to the employment agreement are conditioned upon Mr. O Dell s compliance with the non-disclosure, non-competition and employee and customer non-solicitation provisions of the employment agreement. The Company believes these provisions help ensure the long-term success of the Company and facilitate executive retention.

The material terms of the employment agreement are reviewed annually by the Committee with input from Mercer and outside legal counsel to confirm that they remain generally consistent with competitive practices. The Committee believes it is important to continue this employment agreement with Mr. O Dell to provide continuity and stability in the Company s leadership.

The payments to be made to Mr. O Dell upon termination of employment or a change in control of the Company under his employment agreement are described in the Potential Payments Upon Termination or Change in Control section.

Severance Agreement Mr. Albanese

As of June 30, 2010, Anthony D. Albanese, Senior Vice President of Sales and Operations ceased to be an employee of the Company. In accordance with Mr. Albanese s employment agreement, he received certain severance benefits and is subject to certain post employment non-competition, non-solicitation and confidentiality restrictions. The amounts of Mr. Albanese s termination payments are disclosed in the Potential Payments upon Termination or Change in Control section of this proxy statement on page 40.

Other Compensation Policies

Stock Ownership Guidelines

Because the Company is committed to aligning the executives interests with those of the shareholders, the Board has approved stock ownership guidelines for all officers who are eligible to receive long-term incentives, including all of the Named Executive Officers. The required number of shares for each officer is determined by multiplying his or her current base salary by the multiple noted below and dividing by the current share price. The current multiples are as follows:

Chief Executive Officer Richard D. O Dell	5.0 x Base Salary
Chief Financial Officer/VP Finance James A. Darby	2.5 x Base Salary
All Other Officers	2.0 x Base Salary

While executives are not subject to a specific time period for satisfying the stock ownership guidelines, executives are encouraged to satisfy the guidelines within five years of becoming subject to the guidelines. Until the guidelines are met, executives are encouraged to hold 75% of the realized share value (net of taxes) attributable to option exercises, performance unit plan payouts and vesting in restricted stock. The Committee reviews the stock ownership guidelines at each meeting and monitors the progress towards, and continued compliance with, the stock ownership guidelines. The types of equity included are common stock and units held in the Company stock fund of the deferred compensation plan.

Although there are no formal penalties for not fulfilling the requirements of the ownership guidelines, non-compliance may affect future equity awards. The foregoing sets forth the Company s current ownership guidelines for executives. The Board (or any committee designated by the Board) may, at any time, amend, modify or terminate the guidelines in full or in part. The Board (or any committee designated by the Board) may also grant waivers of the guidelines in the event of special circumstances or as otherwise determined advisable or in the best interest of the Company in given circumstances.

Prohibited Transactions

No employee, including the Named Executive Officers, may engage in short sales of Saia common stock or in transactions involving puts, calls, or other derivative securities of the Company or in hedging transactions with respect to the Company. Additionally, all employees, including the Named Executive Officers, are prohibited from holding Saia stock in a margin account and from pledging Saia common stock as collateral for indebtedness, except in circumstances where the holder can clearly demonstrate the financial capacity to repay the indebtedness without resort to the pledged stock.

Tax Policies

Under Section 162(m) of the Internal Revenue Code, the Company is limited to a $1 million annual deduction on non-performance-based compensation paid to certain Named Executive Officers. Based on the legal definition, Saia s long-term incentive instruments (stock options and performance units) are considered performance-based compensation and are therefore deductible by the Company. Since Mr. O Dell is the only Named Executive Officer whose annual compensation has the potential to reach $1 million (and then only in an outstanding performance year), no specific action has been taken to ensure compliance with Section 162(m).

Section 409A of the Internal Revenue Code generally changes the tax rules that affect most forms of deferred compensation that were not earned and vested prior to 2005. The Committee takes Section 409A into account in determining the form and timing of compensation paid to executives.

Sections 280G and 409A of the Internal Revenue Code limit Saia s ability to take a tax deduction for certain excess parachute payments (as defined in Code Sections 280G and 409A) and impose excise taxes on each executive that receives excess parachute payments in connection with his or her severance from the Company in connection with a change in control. The Committee considers the adverse tax liabilities imposed by Code Sections 280G and 409A, as well as other competitive factors, when it structures certain post-termination compensation payable to the Named Executive Officers. The potential adverse tax consequences to the Company and/or the executive, however, are not necessarily determinative factors in such decisions.

Accounting Policies

The Company accounts for its employee stock-based compensation awards in accordance with ASC Topic 718, *Compensation-Stock Compensation.* ASC Topic 718 requires that all employee stock-based compensation is recognized as a cost in the financial statements and that for equity-classified awards such costs is measured at the grant date fair value of the award.

For all stock option grants prior to January 1, 2003, stock-based compensation to employees is accounted for based on the intrinsic value method under ASC 718. Accordingly, no stock-based compensation expense related to stock option awards was recorded prior to January 1, 2003 for at-the-money stock option awards.

REPORT OF THE COMPENSATION COMMITTEE OF SAIA, INC.

The Compensation Committee of the Board of Directors of the Company has submitted the following report for inclusion in this Proxy Statement:

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on our Committee s review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The foregoing report is provided by the following directors, who constitute the Committee:

Compensation Committee Members
Linda J. French, Chair
William F. Martin, Jr.
Björn E. Olsson
Jeffrey C. Ward

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation awarded to, earned by or paid to Saia s chief executive officer, chief financial officer and its three other most highly compensated executive officers (the Named Executive Officers), along with a fourth who ceased to be an employee in 2010, for services rendered in all capacities within Saia during the fiscal years ended December 31, 2010, 2009 and 2008.

Name & Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
Richard D. O Dell,	**2010**	408,048		187,511	139,086			9,564	744,208
President & Chief	**2009**	408,048		118,551	130,225			24,951	681,775
Executive Officer (PEO)	**2008**	429,504		124,098	167,953			50,223	771,778
James A. Darby,	**2010**	192,864		59,158	43,915			9,522	305,460
Vice President of Finance &	**2009**	192,864		37,404	41,102			17,542	288,911
Chief Financial Officer (PFO)	**2008**	202,968		39,157	53,017			29,441	324,583
Anthony D. Albanese,	**2010**	139,256			65,749			602,367	807,371
former Sr. Vice President of	**2009**	257,088		55,007	61,566			21,198	394,860
Sales & Operations(4)	**2008**	270,600		59,736	79,663			29,310	439,308
Mark H. Robinson,	**2010**	186,960		57,351	42,547			5,252	292,110
Vice President of Information	**2009**	186,960		36,270	39,881			11,911	275,022
Technology & Chief Information Officer	**2008**	196,800		37,949	51,405			23,125	309,279
Sally R. Buchholz,	**2009**	175,296		53,779	39,934			8,675	277,685
Vice President of	**2009**	175,296		34,003	37,381			16,154	262,835
Marketing & Customer Service	**2008**	184,512		26,659	36,119			25,165	272,454
Brian A. Balius,	**2010**	169,152		38,864	28,862			2,952	239,830
Vice President of LineHaul	**2009**	164,318		24,564	27,033			9,851	225,766
and Industrial Engineering	**2008**	173,815		25,715	31,669			17,869	249,067

(1) Includes amounts deferred under the Company s Executive Capital Accumulation Plan as disclosed in the Nonqualified Deferred Compensation Table.

(2) Based on aggregate grant date fair value of the awards as computed in accordance with FASB ASC Topic 718. See Note 8 to the Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2010 for valuation assumptions used.

(3) See details in the All Other Compensation table below.

(4) Mr. Albanese ceased to be an employee of the Company on June 30, 2010.

All Other Compensation

The following table sets forth the detail of other compensation awarded to, earned by or paid to Saia s Named Executive Officers for services rendered in all capacities within Saia during the fiscal years ended December 31, 2010, 2009 and 2008.

Name & Principal Position	Year	Perquisites & Other Personal Benefits(1)	Tax and Financial Planning	Car Allowance	Payments/ Accruals on Termination Plans(4)	Company Contributions to Defined Contribution Plans (401(k))	Company Contributions to Defined Contribution Plans (Def. Comp.)	Dividends/ Earnings on Stock/Option Awards	Insurance Premiums	Other
Richard D. O Dell,	2010	1,212		4,876					1,710	1,765(2)
President & Chief	2009	789		5,930		984	15,609		1,639	
Executive Officer (PEO)	2008	779		7,200		6,325	32,696		1,635	1,588(2)
James A. Darby,	2010			7,200					2,322	
Vice President of Finance &	2009			7,200		698	7,419		2,225	
Chief Financial Officer (PFO)	2008			7,200		5,582	14,380		2,279	
Anthony D. Albanese,	2010			4,800	586,421				1,258	9,888(3)
former Sr. Vice President	2009			7,200			9,806		2,598	1,594(2)
of Sales & Operations	2008			7,200			19,297		1,219	1,594(2)
Mark H. Robinson,	2010			4,010					1,242	
Vice President of	2009			2,851		677	7,193		1,190	
Information Technology & Chief Information Officer	2008			2,696		5,412	13,798		1,219	
Sally R. Buchholz,	2010			6,656					927	1,091(2)
Vice President of Marketing	2009			6,634		634	6,706		898	1,282(2)
& Customer Service	2008			5,790		5,074	12,053		966	1,282(2)
Brian A. Balius,	2010			2,406					546	
Vice President of	2009			2,564		408	6,335		544	
LineHaul and Industrial Engineering	2008			1,899		4,780	10,520		670	

(1) Payment of country club dues.

(2) Deemed compensation for spousal travel.

(3) Payout of unused vacation in 2009 for Mr. Albanese.

(4) Payment of severance in accordance with Mr. Albanese s employment agreement.

Grants of Plan-Based Awards

The following table sets forth the detail of grants of plan-based awards to Saia s Named Executive Officers for services rendered in all capacities during the fiscal year ended December 31, 2010. See further details regarding these grants in the description of Long-Term Incentives beginning on page 23 of the Compensation Discussion and Analysis included above.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
Name & Principal Position	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (1) (#)**	**Target (1) (#)**	**Maximum (1) (#)**	**(#)**	**(#)**	**($/Sh)**	**Awards**
Richard D. O Dell,	2/2/2010								22,360	12.10	139,086
President & Chief Executive Officer (PEO)	1/1/2010					22,360	44,720				187,511
James A. Darby,	2/2/2010								7,060	12.10	43,915
Vice President of Finance & Chief Financial Officer (PFO)	1/1/2010					7,060	14,120				59,158
Anthony D. Albanese,	2/2/2010								10,570	12.10	65,749
former Sr.Vice President of Sales & Operations	1/1/2010										
Mark H. Robinson,	2/2/2010								6,840	12.10	42,547
Vice President of Information Technology &	1/1/2010					6,840	13,680				57,351
Sally R. Buchholz,	2/2/2010								6,420	12.10	39,934
Vice President of Marketing & Customer Service	1/1/2010					6,420	12,840				53,779
Brian A. Balius,	2/2/2010								4,640	12.10	28,862
Vice President of Linehaul & Industrial Engineering	1/1/2010					4,640	9,280				38,864

(1) Estimated payouts under the 2010-2012 long-term incentive award under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan calculated based on base salaries as of January 1, 2010.

Outstanding Equity Awards

The following table sets forth information regarding the number of shares of unexercised stock options and the number of shares and value of restricted stock outstanding at December 31, 2010 for the Named Executive Officers.

	Option Awards					Stock Awards			
ne & Principal Position	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)	Equit Incenti Plan Award Mark or Payou Value Unearn Share Units or Oth Right that Have N Veste ($)
ard D. O Dell,	5,880			23.000	02/02/2012	34,000(5)	564,060	6,573	109,0
ident & Chief	9,560			27.380	01/27/2013			6,694	111,0
cutive Officer (PEO)	11,750			26.720	02/02/2014			13,490	223,7
	6,663	13,327(1)		26.720	02/02/2017				
		26,040(2)		14.710	02/01/2015				
		22,400(3)		11.960	02/03/2016				
		22,360(4)		12.100	02/02/2017				
es A. Darby,	1,300			23.000	02/02/2012			2,074	34,4
President of Finance &	2,170			27.380	01/27/2013			2,112	35,0
f Financial Officer (PFO)	3,710			26.720	02/02/2014			4,256	70,6
		8,220(2)		14.710	02/01/2015				
		7,070(3)							