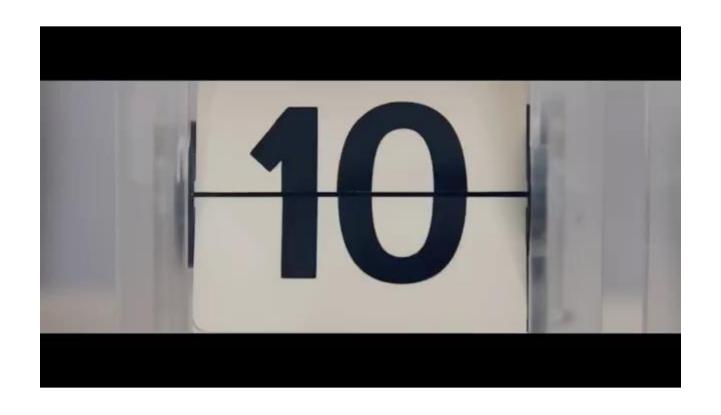
# DAIMLER

Short sea shipments as an alternative for dealing with driver shortages and improve vehicle quality

Ivan Hernandez – Director of Transportation





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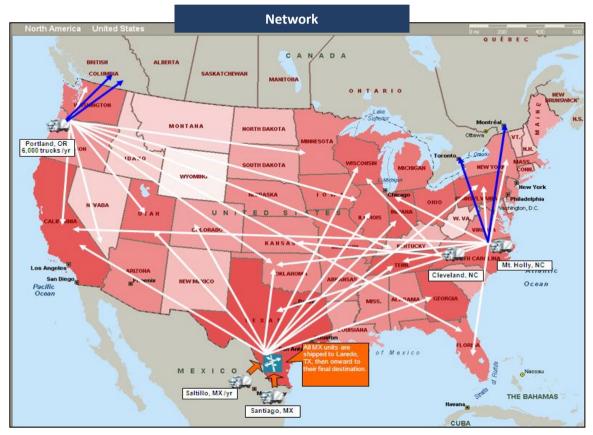
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#### DAIMLER

#### DTNA's distribution network overview





#### **Agreements**

- Vehicle processing at the plants
- Decking and storage at dedicated facility
- Short Haul: Single drive-away for distance < 300 miles</p>
- Long Haul: Multi drive-away for distance > 300 miles
- Drivers are responsible for delivering units to final destinations and completing un-decking responsibilities
- 2 Major service providers on own axles (single driveaway) or "piggy –backing" (multi drive-away)
- Reverse logistics of saddles, handled by provider
- Average miles per delivery: 1,400 mile average

### **DAIMLER** Challenges around driver availability

#### The life of a driver

#### **Unbalanced Life**

Away from family

No social life

#### Poor Healthfriendly conditions

Sitting all day

No Healthy food available

Drive, Sleep, Drive

## Rough environment

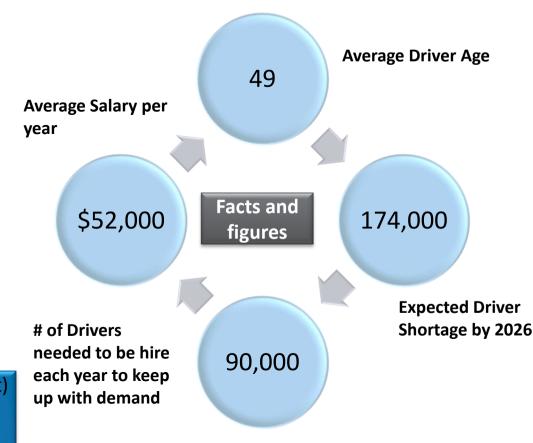
Rarely showering

Little respect from car drivers, police and major retailer

Similar money can be made elsewhere

### What we are currently seeing

- Shortage of drivers in the USA (Drivers want to be home at night)
- B1 Drivers are being naturalized (Green Card) in the USA by US carriers in order to counteract shortage.
- Decked drive-away drivers compete with other less physical demanding FTL jobs (box trailer moves, bump docks)
- Mexico experiencing driver shortages as well
- New driver workforce looking for more work/life balance



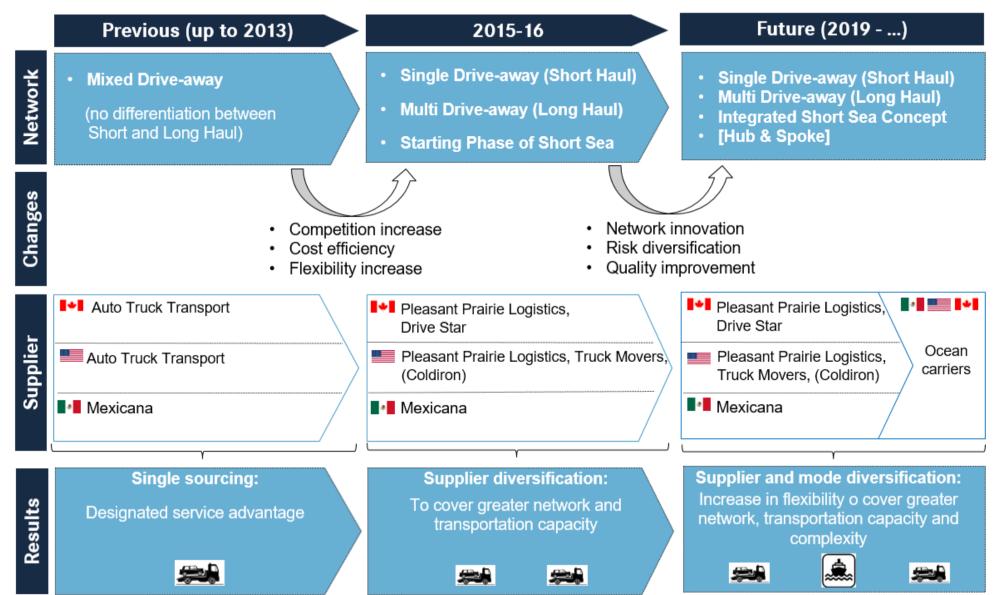
### **Network Requirements**

- 1100 drivers required in our network
- Mexican drivers drive on average
  - Saltillo : 276 Miles
  - Santiago: 795 Miles
- B1 Drivers drive additional 100 300 miles
- USA Drivers drive on average: 850 miles
- Required to un-deck and inspect trucks upon arrival to the dealer



## **DAIMLER** Continuous adaptation - Short sea enable drivers to be

### home every day



### **DAIMLER** We continue to investigate and develop new routes and ports



## Results

Cost Quality Transit Time Customer Satisfaction
<ul> <li>Reduction of miles driven</li> <li>Reduction in the amount of damages</li> <li>No Saddles, Decking or Un-decking required. Shorter distance from port to final.</li> <li>Reduction of miles driven</li> <li>Reduction in the remain the same</li> <li>16 days</li> <li>Less miles more smiles</li> <li>Less rework and touch u after arrival the unit</li> </ul>

## **DAIMLER** Drivers will continue to be an integral part of our network

Respect and appreciation for Drivers

Improve facilities with amenities (Receiving docks, terminals, etc)

What can the industry do to help

Infrastructure (Road conditions, parking)

Optimization of our operations (more time driving, less waiting)

### **Best Transportation Technology**

Daimler Freightliner new Cascadia



