



# 2014 SAFETY & COMPLIANCE PROGRAM

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Purpose: The following program was designed to address the changes within the industry, the regulatory changes and the transitions designed to make Dawson Truck Lines a more safe, profitable and compliant place of employment.

- **S.T.A.T.U.S (Success Through A Team Using Solutions).** Dawson Truck Lines, Inc. conducts a safety and operations meeting every Monday morning at 0700 hours. Our leadership team presents updates and concerns to the president regarding the following six categories: Safety, Hours of Service, Dispatch, Maintenance, Compliance and Communication.
- **Driver Council.** Drivers are our most important asset as well as potential liability. They literally drive our bottom line and have the largest impact on our ability to operate safely on the roads. The driver council is a group of three company representatives who meet periodically to address issues of communication, driver concerns, driver retention, and safety. Every six months, one driver is nominated by the Dawson driver pool and one chosen by the Dawson administrative staff. The president is the third member. Rules of engagement ensure that there is an open dialogue. These meetings have been valuable in encouraging communication, establishing trust, and providing new ideas to improve the safety and efficiency of our fleet.
- **Monthly Management Team Meeting.** Each month the leadership team meets to have both “Green Light” and “Feedback” sessions. These meetings encourage constructive, creative ideas as well as challenging ideas and proposals. This meeting is typically where we improve on ideas pertaining to continued safety education, delegate of projects, liability and cost reduction practices and major operational transitions (Qualcomm, etc).
- **On-Site Safety Lane.** At our terminal we have established a safety lane open for the inspection, service or adjustments made to our fleet. This safety lane is open 20 hours during the weekend and 30 hours during the week. If the work needing to be performed cannot be completed, the equipment is either red tagged or referred to a commercial repair shops located within ¼ mile from our office. A daily yard check is performed on all equipment located at the Cherokee Street Terminal.
- **Ten Truck Commandments.** This ten step driver maintenance program was created to help reduce costs, increase overall awareness and most importantly provide an instant accountability maintenance system. Inspections are performed both on our yard and over the road as we reserve the right to progressively discipline each driver for not maintaining the standard of prevention and attention required by Dawson Truck Lines, Inc. Every inspection is accompanied with a pass/fail section completed by the inspector and either signed off by the driver or placed on his driver window for him to call the inspector upon arrival if defects are found. Each week our yard and several over-the-road maintenance inspections are performed on the items listed below.
  - Ten Truck Commandments
    - Thou Shalt Check Your Fluids Daily

- Thou Shalt Check For Registration & Inspection of Equipment
- Thou Shalt Check Your Tire Pressure & Condition
- Thou Shalt Drain Your Air Tanks & Check For Air Leaks
- Thou Shalt Walk Your Truck & Trailer
- Thou Shalt Check Your Hub Oil & Differentials
- Thou Shalt Check Your Brakes & Adjust Them
- Thou Shalt Check For Inoperative Lights
- Thou Shalt Keep Clean Inside Truck & Trailer
- Thou Shalt Keep Equipment Sealed & Locked At All Times

This system is designed to keep our equipment DOT compliant and impress upon each driver the importance of their responsibility in maintaining the equipment and necessary compliance each day.

- **Maintenance Tag.** One successful tool that we have implemented is the maintenance tag system. One of our drivers recommended that we randomly ( and without notice to the drivers) place a 15”x4” fluorescent colored tag on their equipment. Each tag is noted with a code and phone number to text immediately. Then it is determined if the driver inspected his equipment properly at a pre/post trip. Their time and location are verified off the Qualcomm units placed into the trucks. If the tag is noticed and all checks have been made, then the driver will be paid accordingly. If not, the driver will have a note placed into his file and progressively disciplined until compliance or termination are met.
- **Technology Updates-** Dawson Truck Lines, Inc. has purchased and installed 100% of their fleet with MCP50 Omnitrac (Qualcomm) on-board computers. This addition was planned for mid-2012, but possible truck lease options delayed this process to January of 2014. This transition was made for several reasons including;
  - Hours of service improvement (Three Phase ELOG Implementation Schedule)
  - Operational/Productivity Increase (Routing/MPG/On-time-Delivery %, OBC Communication)
  - Pre/Post Trip Monitoring, Driving Habits
  - Equipment Performance & Monitors (Speeding, Tire Pressure, Scanning Capabilities)
- **Orientation Overhaul.** Orientation has been revamped to improve the candidates we hire, inspection of their records and documentation for liability reasons. Dawson Truck Lines added several rounds of continued education as well as various new hire training sessions based on their individual driving record and history. Going beyond our current insurance, MVR & PSP record review, Dawson is now introducing DAC check, background check and a professional interview session. A certification of orientation demonstrates the new employee’s willingness to be a compliant and safety- conscious addition. A safety manager hire has been determined to assist as our log auditor, driver trainer and safety counselor.
- **Incentives.** Dawson Truck Lines has recently put together a robust and rewarding incentive program. The incentives primarily focus on safety and profitability. The first program being rolled out August 9<sup>th</sup> 2014 is our Platinum, Gold, Silver and Bronze Quarterly Bonuses. Secondly, our *Pole Position* achievement program rewards drivers’ weekly accomplishments. It is extremely important that each employee recognize that our ability to drive accident free and safe is a priority. Any of the following offenses disqualify a driver from the current quarter vacation earnings, lottery prize drawing as well as the next quarter’s incentives:
  - **Accident**
  - **Incident**
  - **Claim**
  - **Injury**

- **Termination Offenses** . The following discoveries or offenses will result in automatic termination.
  - Failing to use seat belt while operating CMV 392.16
  - Unauthorized passenger on board CMV 392.60
  - Possession or Use of Drugs or Alcohol In or Around Company Equipment
  
- **Policy, Rules & Updates**. Dawson has updated its drivers manual and cell phone use policy to change many of our current practices from “Common Practices” to “Best Practices”. Driver observation and commentary driving will be made a part of our late 2014 improvements. We have also decided that an RPM limiter and MPH governor will be implemented on each truck. The trucks will be governed to 72 MPH. There are three (3) phases to the MCP50 ELOG rollout.
  - **Phase 1:** All new entry drivers will be placed on MCP50 ELOG from their date of hire
  - **Phase 2:** All current drivers will choose whether they are going to convert to MCP50 ELOGS or remain on paper logs.
  - **Phase 3:** All drivers who receive log violations from DOT or do not pass Dawson Truck Lines audit procedure will be placed on the MCP50 ELOGS immediately. Log violation-free drivers will convert when federally mandated.
  
- **Safer Scores**. Beyond internally promoting and delegating Tracy Taylor as our compliance and safety manager, there are many other facets that influence our scores. Our overall inspections frequency has changed creating a point value jump even though we have reduced the number of overall points contributing to the score. This change in peer groups has had a negative effect on our overall ability to show the improvements we have implemented and continue to improve upon.
  - **Unsafe Driving**
    - We have achieved our 2013/2014 percentile reduction goals. Much of this is contributed to the education in 2013 safety meetings addressing these as being driver preventable.
  - **Hours of Service**
    - We have a custom tailored log overlay that informs the paper log drivers what information is missing. Thus reducing all form and manner errors.
    - Several types of education materials have been created and reviewed with the drivers. These include interactive programs, literature, one on one log reviews and regulation update education.
    - The onboard computers will assist in the Hours of Service as most “Form and manner” parts of the log will be automatically populated and logging audits will be automated from the MCP50 to the backend of our operating system.
  - **Vehicle Maintenance**
    - We have made drastic changes to our program and continue to educate and hold our employees accountable for the equipment they drive. Our maintenance work order system has been streamlined to flow directly into dispatch immediately and given a priority number (triage application). Most of the more recent, larger improvements we have implemented have been described above.
      - Maintenance Tag Reward Program
      - Yard Checks
      - Ten Truck Commandments
      - Onsite Safety Lane
  - **Controlled Substance and Alcohol**
    - We have outsourced all drug and alcohol procedures to safety and compliance services. This includes pre-employment, suspicion, random screening and random consortium.