

**NATIONAL
TRANSPORTATION
SERVICES, INC.**

“NTS”



**DRIVER
RESPONSIBILITY AND
BENEFIT POLICY**

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OVERVIEW

The purpose of the policy is to ensure the safety of those individuals who drive company vehicles. Vehicle accidents are costly to our company, but more importantly, they may result in injury to you or others.

It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. As such, the company endorses all applicable state and federal motor vehicle regulations relating to driver responsibility. The company expects each driver to drive in a safe and courteous manner pursuant to the following safety rules. The attitude you take when you get behind the wheel is the single most important factor in driving safely.

There are a number of responsibilities that a truck driver and tractor trailer driver must follow. These items include, but are not exclusive of:

- 1) Adhere to the company Vehicle Use Policy (if using company owned vehicles)
- 2) Comply with rules regarding maximum driving and on duty time
- 3) Keep accurate logs of on and off duty status
- 4) NO alcohol or drugs (legal or illegal) that affect your ability to drive safely
- 5) Do not drive while fatigued or in violation of hours of service (HOS) regulations

Comply with rules regarding maximum driving and on duty time:

Truck Drivers May Not:

- 1) Drive more than 11 hours following 10 consecutive hours off duty; or
- 2) Be on duty any period after having been on duty 14 hours following 10 consecutive hours off duty.

KEEP ACCURATE logs of on and off duty status whether by manual or electronic logging device "ELD" methods!

Every motor carrier shall require every driver used by the motor carrier to record his/her duty status for each 24-hour period. The information that must be recorded is as follows:

- 1) Date
- 2) Total miles AND driving time
- 3) Bus, truck, tractor and/or trailer number
- 4) Name of carrier
- 5) Driver's Signature and certification of record(s) provided
- 6) 24 hour period starting time

- 7) Main office address
- 8) Name of Co-Driver
- 9) Total Hours
- 10) Shipping document number(s) or name of shipper and commodity

Drivers found not complying with the Record of Duty status as stated in FMCSA 395.8 Driver's record of duty stats (Appendix A), will be reprimanded and/or ultimately terminated if there are repeated violations.

DISCIPLINARY ACTIONS AS FOLLOWS:

First Offense - \$100 fine; logs will be submitted weekly for review until found satisfactory.

Second Offense – 1 week off duty; hos training with signed acknowledgement of attendance; logs will be submitted weekly for review until found satisfactory

Third Offense – Termination

No alcohol or drugs (legal or illegal) that affect ability to drive:

No person shall operate a commercial motor vehicle or be on duty when that person has been drinking ANY alcohol until their blood alcohol level is less than one-half of one percent. Alcohol will not be in the driver's possession while on duty or driving a commercial vehicle.

DRIVER VEHICLE INSPECTIONS

NTS is committed to following a strong daily inspection program. Department of Transportation (DOT) regulations require commercial motor vehicles to be inspected every day they are operated.

Our daily inspection procedures will help avoid DOT penalties and provide a sound basis for a good inspection and maintenance program.

Daily inspection of vehicles will help prevent small problems from becoming big problems. All drivers, mechanics, supervisors, must know and apply the driver vehicle inspection procedures.

Any disregard for inspection procedures may result in disciplinary action.

Drivers must only operate commercial vehicles that have been inspected and deemed safe. No one shall encourage or coerce drivers to violate these safety standards.

Driver Pre-trip Inspections:

Each driver must be satisfied that the equipment is in proper working condition prior to operating a vehicle.

This includes the following equipment:

- 1) Service brakes, including trailer brake connections
- 2) Parking (hand) brake
- 3) Steering mechanism
- 4) Lighting devices and reflectors
- 5) Tires
- 6) Horn
- 7) Windshield wipers
- 8) Rear Vision mirrors
- 9) Wheels and rims
- 10) Coupling devices
- 11) Emergency equipment
- 12) ELD unit is operable (Electronic Logging Device)

For ELD operation instructions, Please see the ELD Manual provided to you.

Driver on-the-road Inspections:

Unless the driver had been ordered not to inspect the cargo or the unit is sealed, the driver must examine the cargo and its load securing devices within the first 5 miles of the trip and make any necessary adjustments.

Once on the road, the driver must reexamine his/her vehicle and cargo as follows:

- 1) At each change of duty status
- 2) After driving for 3 hours; or
- 3) After driving for 150 miles,
- 4) Whichever occurs first

If a problem is found, the driver will either have the necessary repairs or adjustments made prior to operating the vehicle, or safely travel to the nearest repair facility.

Driver Post-trip Inspection Report:

Each driver is required to complete a written report on each vehicle's condition at the end of the day, or when he/she finishes driving the vehicle for that day. A vehicle includes a power unit and trailer(s).

The vehicle must be identified on the report. The regulations require that any defects in the following equipment items be noted:

- 1) Service brakes, including trailer brake connections
- 2) Parking (hand) brake
- 3) Steering mechanism
- 4) Lighting devices and reflectors
- 5) Tires
- 6) Horn
- 7) Windshield wipers
- 8) Rear Vision mirrors
- 9) Wheels and rims
- 10) Coupling devices
- 11) Emergency equipment
- 12) ELD unit is operable (Electronic Logging Device)

The driver must also note any other defects that would affect the safe operation of the vehicle or result in its mechanical breakdown. The report must also indicate if no defects are found. The driver must sign the report.

- 1) **NO DEFECTS:** When no safety related problems are reported by the driver, the driver submits 2 copies of the inspection report to their supervisor
- 2) **DEFECTS FOUND:** When a driver reports safety related problems, he/she submits all copies to their supervisor and he/she will sign the report indicating that repairs have been made (or are not required to be made). The vehicle inspection report must be signed by the next driver to operate the vehicle.

The original copy of the inspection report and certification of repairs will be retained at the office. The original of the inspection report will be filed by truck unit.

The original copies of inspection reports on which no defects were noted will be retained for 3 months. The original copies of inspection reports on which defects were noted, and the certification of repairs will also be retained for 3 months.

Drivers found not complying with vehicle inspection policies will be reprimanded and/or ultimately terminated.

DISCIPLINARY ACTIONS AS FOLLOWS:

First Offense - \$100 fine; paperwork will be submitted weekly for review until found satisfactory.

Second Offense – 1 week off duty; Inspection training with signed acknowledgement of attendance; paperwork will be submitted weekly for review until found satisfactory

Third Offense – Termination

Roadside Inspections

Roadside inspections are a fact of life for drivers of commercial motor vehicles. Department of Transportation (DOT) regulations authorize special agents (law enforcement officers) to enter and perform inspections upon a motor carrier's vehicles in operations. It is NTS's responsibility to cooperate fully with law enforcement officers during roadside inspections.

NTS expects its drivers to behave in a professional and courteous manner when asked to participate in a roadside inspection. Directions given by the inspection official should be followed. Failure to comply with the procedures set forth below may result in disciplinary action. Drivers are expected to report the inspection results in accordance with the regulations and company policies. All driver-related violations will be reviewed for possible disciplinary action.

Drivers will be expected to follow through with any necessary vehicle repairs or driver corrections and return the report in accordance with the regulations.

When a driver is approached to undergo a roadside inspection, he/she must go immediately to the area designated by the inspections officer. If the driver believes that the designated area is unsafe for the driver and/or the inspection officer, the driver shall state his/her concern to the inspection office in a courteous and professional manner. Once the inspection is underway, the driver shall follow the directions given by the officer and act appropriately.

Roadside Inspection Results:

The results of the roadside inspection must be reported to NTS during the drivers next scheduled check-in call if the inspection was passed with no violations.

If a violation was noted on the inspection, the driver is to notify their supervisor of the inspection and the violation(s) before the end of the next business day.

The driver must turn in the inspection report to NTS upon arrival. If the driver is not scheduled to arrive at a terminal location within the next 24 hours, the report must be mailed to NTS at:

NTS - PO BOX 1226 – KENT, WA 98035

If the driver is placed out of service, the driver must call in immediately so NTS can notify the customer of any delays that may result and their supervisor can coordinate the return of the vehicle and/or driver to service.

A vehicle that is placed out of service cannot be operated until all repairs required by the out-of-service notice have been repaired/completed. A driver may be placed out of service if the driver does not meet the qualification requirements or has violated the hours-of-service rules. A driver placed out of service must not resume driving until the out-of-service condition(s) is/are rectified.

Responsibility for citations and fines:

Equipment related citations:

Drivers shall not be held responsible for the citation if the defect could not have been detected in the course of a reasonable and proper inspection (pre or post), or if the defect developed while in transit after a proper vehicle inspection was conducted by the driver.

Oversize/Overweight Citation:

Drivers are responsible to make certain that all loaded vehicles are within legal weight limits for both axle and total gross weight. Drivers may be held responsible for overweight citations if the fine was due to driver negligence or failure to follow established scaling procedures.

Driver Citations:

A driver who receives a citation for being found to be in violation of the hours-of-service regulations during the course of a roadside inspection shall be responsible for the citation. A driver who receives any other type of driver citation will be responsible for the fine if it was due to driver negligence.

NOTE: Fines levied on a driver for infractions of local, state, or federal regulations are his/her responsibility even if the vehicle involved in the situation is a company vehicle.

NTS Disposition of Report:

Upon receipt of a roadside inspection report, NTS will make arrangements to correct any defects outstanding.

Within 15 days of the inspection, NTS must certify that all defects have been corrected by completing the "Signature of Carrier Official, Title, and Date Signed" portions of the inspection

report form. The form will then be mailed to the issuing agency at the address indicated on the form.

The driver will be notified when defects have been corrected. Roadside inspection reports will be analyzed for ways to reduce the number of violations and lower the out-of-service rate.

A copy of the roadside inspection report will be retained for 12 months.

Driver Qualification & Hiring

NTS's driver hiring qualification standards and procedures have been developed to achieve two goals.

The first goal is for the company to meet or exceed all Federal Motor Carrier Safety Regulations (FMCSRs) concerning driver qualification.

The second goal is to select only the best available drivers: Drivers who share NTS's values and our goal of operating in a safe, legal, and professional manner.

Under the FMCSRs, all drivers must be at least 21 years of age to participate in the transportation of interstate commerce. (Sec. 391.11 (b) (1))

NTS hiring standards require that only those driver applicants with 2 or fewer chargeable or preventable motor vehicle accidents within the past 5 years will be considered for employment. Because of NTS's commitment to safety, the company will not consider driver applicants who fail to meet the above standard.

NTS hiring standards also require that only those driver applicants with 3 or fewer minor violations of motor vehicle laws (other than parking violations) within the past 3 years will be considered for employment. An applicant who has incurred more violations than the above standard has demonstrated a pattern of unsafe driving behavior which NTS finds unacceptable in prospective driver associates.

NTS will not consider for employment, a driver applicant who has been convicted of any careless or reckless driving of a motor vehicle offense within the past year. Drivers convicted of operating a motor vehicle with willful or wanton disregard for the safety of persons or property is considered to be unsafe by the company. This kind of behavior is unacceptable in any prospective NTS driver.

NTS will not consider any driver applicant who has been convicted of transporting a controlled substance or a felony involving the use of a commercial motor vehicle.

Drivers will be expected to converse with other company employees, our customers and the general public in the English language as required by FMCSA Regulations. Drivers also need to be able to read street signs and traffic related signs for safety purposes. NTS, therefore, requires all drivers to be able to read and speak English sufficiently to be able to perform all duties and functions of the job. (Sec.391.11(b)(2))

Driver applicants will also be required, because of experience, training, or both, to be able to:

- 1) Safely operate a semi and trailer
- 2) Determine and execute proper cargo securement procedures

All driver applicants shall complete an application for employment furnished by NTS with the information required under section 391.21 of the FMCSRs.

NTS hiring standards require that driver applicants be able, willing and ready to supply the required information listed on the application.

NTS Safety Department will obtain a legible copy of the license of all driver applicants. The Safety Department will conduct a review of the license to be certain it is valid, has not expired, is the appropriate class for NTS vehicles, has the appropriate endorsements, is issued by the applicant's current state of residence and that the applicant possesses only one license. (Sec. 383.21, 391.23 and 391.11(b)(7)) NTS will also request and review an MVR and the information contained on the record.

NTS will require driver applicants to provide written authorization to the company to obtain drug and alcohol test information, Clearinghouse access, PSP access and SAP program and results. NTS will review SAP applicants on a per driver case to determine if they are eligible for hire. NTS has a qualified process to handle SAP participants so a SAP program will usually not prevent you from being hired by NTS.

VEHICLE USE POLICY

This policy has been prepared as an orientation on what is expected of you in the operation and maintenance of your company vehicle. NTS will provide you with safe, dependable transportation. In turn, you are entrusted to use good judgement and have a complete understanding of the responsibilities involved, both of which are necessary to continue to drive a company-provided vehicle on company business.

Any driver of a company vehicle (or driving on company business in any manner) must meet the following requirements:

- 1) Possess a valid driver's license

- 2) Maintain an acceptable driving record per company policy and FMCSA regulations
- 3) Follow the guidelines stated in this policy at all times

Use of Vehicle:

You have been provided a company vehicle primarily to assist you in your job. Its use is strictly limited to business purposes. It may not be used for personal reasons. Loaning the vehicle to friends, neighbors, relatives or anyone else is a violation of company policy. From time to time, you may have a need to carry business associates, however, transporting strangers or hitchhikers is a violation of company policy.

Vehicle Care:

(If applicable) All company-provided vehicles are designated as non-smoking areas. You are expected to keep your vehicle in a clean, well-maintained condition.

Tire Care and Replacement:

Tire mileage is directly proportional to driver techniques, alignment, tire pressures and wheel balance. All of these factors are under your control. Tire pressures must be checked regularly (and kept at a PSI level) and tires visually inspected. Alignment and wheel balance problems must be corrected immediately to avoid drastic tire wear.

Maintenance & Repair:

Neglecting to maintain a vehicle could result in the driver being charged for any resulting repairs. **Maintenance reports are required to be turned into management on a monthly basis if you manage your own maintenance and not the NTS shop.** Unusual wear and tear above industry average or neglecting to maintain your company-provided vehicle may result in the loss of your vehicle and further disciplinary action. It is the drivers responsibility to have the scheduled maintenance performed at the designated intervals to ensure maximum vehicle performance for safety, operating efficiency and extended life of the vehicle:

- 1) Change oil according to manufacturers suggested maintenance schedule
- 2) Keep tires inflated to the proper PSI rating
- 3) Have tires rotated every 10,000 miles
- 4) Frequently inspect belts and hoses for cracks, leaks or loose fittings

In addition to your daily Pre and Post Trip Inspections, Driver safety checklist should be performed in writing at least once per month. Drivers should inspect all safety related equipment including, but not limited to: headlights, taillights, brake lights, turn signals, running lights, license plate lights, etc. Also check tire tread for proper tread depth, windshield wipers and horn operation.

ACCIDENTS

A valid insurance card and vehicle registration shall be carried in the vehicle at all times and is the driver's responsibility to make sure they have both items before operating the vehicle.

In the event that you are involved in an accident, follow these instructions:

Notify the office as soon as possible!

- 1) SAY AS LITTLE AS POSSIBLE AND **NEVER ADMIT FAULT.**
- 2) TAKE PICTURES OF DAMAGE TO VEHICLES FROM ALL ANGLES AND TURN INTO SAFETY DEPARTMENT.
- 3) TAKE PICTURES OF THE ROAD TYPE AND CONDITIONS (INTERSECTIONS? STRAIGHT ROAD? CURVE? ON OR OFF RAMP? SNOW? RAIN?)
- 4) If accident involves another vehicle, obtain the following information:
 - a) Ask if there are injuries and call for help if there are injuries
 - b) Provide your information: license, insurance and registration
 - c) Get the driver's name
 - d) Get driver's license (take a picture of license).
 - e) Get the driver's address and phone number
 - f) Get their insurance information (take a pic of their card)
 - g) Get a pic of the vehicle registration if possible
 - h) Take a pic of vehicle license plate
 - i) List all witnesses: name, address and phone number
 - j) Get responding police officer(s) information
 - k) **COOPERATE WITH LAW ENFORCEMENT, BUT ANSWER QUESTIONS FACTUALLY AND AVOID TALKING TOO MUCH. BRIEF, BUT FACTUAL ANSWERS ONLY.**
- 5) If anyone from the other driver's insurance or an attorney representing the other party in any way contacts you, **DO NOT SPEAK TO THEM OR ANSWER QUESTIONS. TELL THEM THEY MUST CONTACT YOUR COMPANY AT 253-395-2458**
- 6) Cooperate with your company office/safety employees completely regarding any questions or requirements. They will keep you informed of any changes and you may call them at 253-395-2458 to ask for help regarding the accident.
- 7) You may have to go for alcohol and drug testing as required by DOT/FMCSA
- 8) You **MAY** have financial responsibility if you are found at fault for the accident.
- 9) If you are found to be under the influence of alcohol or drugs at the time of the accident, regardless of whether you are found at fault or not, your employment will be terminated.

Accident Testing (Sec.382.303)

Drivers are to notify their supervisor as soon as possible if they are involved in an accident.

According to FMCSA regulations (Sec. 382.303), if the accident involved the following, the driver will be tested for drugs and alcohol as soon as possible following the accident:

- 1) If accident involves a fatality;
- 2) Bodily injury with immediate medical treatment away from the scene and the driver receives a citation
- 3) Disabling damage to any motor vehicle requiring tow away and the driver received a citation

The driver must make himself available for testing. If the driver isn't readily available for testing, he/she may be deemed as refusing to submit to testing. A driver involved in an accident may not consume alcohol for 8 hours or until testing is completed.

If the alcohol test is not performed within 8 hours following the accident, all attempts to administer the test will cease. A report from the driver and safety department will be prepared explaining why the test was not completed as required. The report will remain a permanent copy of the accident and driver's records.

The drug test must be administered within 32 hours of the accident. If the test was not administered within the specified time, A report from the driver and safety department will be prepared explaining why the test was not completed as required. The report will remain a permanent copy of the accident and driver's records.

TRAFFIC AND PARKING VIOLATIONS

Minor violations include:

Three minor violations within a 12 month period or five minor violations during a three year period will result in the loss of company-provided vehicle and losing the privilege of driving on company business. It may also subject you to further disciplinary action, including possible employment termination.

- 1) Speeding less than 15 mph over the limit
- 2) Failure to wear a seat belt
- 3) Failure to stop at a stop sign

Major violations include:

Most violations not listed under minor violations will be covered under the Major violations. More than two Major Violations in a 3 year period will end in termination in most cases.

Some Major Violations include, but are not limited to:

- 1) Driving under a suspended or revoked license
- 2) Driving under the influence of alcohol or drugs
- 3) Reckless driving
- 4) Hit and Run or leaving the scene of an accident
- 5) Speeding 15mph or more over the limit
- 6) At fault accident

DEFENSIVE DRIVING

While there is no regulatory requirement that mandates defensive driving, it makes sense and excellent business sense to have such a policy in place. Underlying the policy to require defensive driving is our company's strong commitment to safety on the highways.

While operating vehicles, drivers should always drive in the safest and most professional manner as possible. The likelihood of accidents will be minimized and a positive image will be promoted in the eyes of the general public for our company. Specifically, our drivers must operate vehicles with company information on them in accordance with all provisions of Part 392 – Driving Motor Vehicles (FMCSA Regulations)

Many factors impact the operation of vehicles on the roadways, including:

- 1) Light levels
- 2) Weather
- 3) Pavement conditions
- 4) Mechanical conditions, and
- 5) Operator condition

A successful defensive driver exhibits 5 main qualities:

- 1) Extensive knowledge
- 2) Alertness
- 3) Good judgement
- 4) Foresight, and
- 5) Driving skill

The core concepts of defensive driving are:

- 1) Recognize the hazard
- 2) Understand the defensive action to the hazard
- 3) Act in time

If these principles are followed carefully, the results will be improved safety on the highways and a positive image for our company.

Some skills used for driving defensively include:

- 1) Scanning around you (front, sides and rear)
- 2) Communicating: turn signals, brake lights, flashers or hand signals
- 3) Use the 3 or 4 second rule for keeping a safe distance between you and the vehicle in front of you
- 4) Adjusting to remain in safe positioning if someone else is not driving defensively near you or is driving too close behind you
- 5) Know what is happening at least one city block ahead of your position
- 6) Make BRIEF inspections of mirrors and do not take your eyes off the road in front of you for more than an instant since someone could slam on their brakes at any moment
- 7) Always leave yourself an "out". Somewhere to go if the situation becomes hazardous.
- 8) Watch your "blind" spots and don't depend solely on your mirrors to change lanes
- 9) Add additional space between you and the vehicle in front of you if you have someone following too close to you. You will need to stop for them too.
- 10) Evasive driving should be used in case someone encroaches into your lane
- 11) WATCH FOR PEDESTRIANS AND BICYCLE RIDERS! Deaths are rising from vehicles hitting these people.
- 12) Watch for motorcycles
- 13) Slow down in extreme weather conditions or road conditions or get off the road completely

CELL PHONE USAGE

The safest and most responsible way to use cell phone or any hands-free device is to NOT use them while driving. The fines are rising if you get caught using your cell phone while driving.

OTHER COMPANY POLICIES

Drivers are not to transport any hazardous materials or waste in company vehicles unless it is an item the company ordinarily handles and is licensed for.

Materials transported must be secured safely to prevent injury in the event of accident or sudden impact or stopping.

Vehicles should be locked any time you are not in the vehicle. If parked and you are not with the vehicle, please make sure the vehicle is secured.

Damage due to smoking in the vehicle will be charged to the driver. Also, if you are negligent in the care of a company-owned vehicle resulting in financial loss or excessive repair, the company will charge you the fair-market value of that cost.

MOTOR VEHICLE RECORDS CHECK

Regular driving records will be obtained on all drivers who drive for company business. It is important to maintain a clean and safe driving record to ensure employment as a driver. This means that the company is required or will make regular checks of your driving record.

BE SAFE OUT THERE.

DRIVER ACKNOWLEDGEMENT FORM

I have read and agree to abide by all policies and procedures in this manual and I understand my responsibilities to drive safely and maintain a safe vehicle. I further give permission to **National Transportation Services, Inc.** to secure my complete driving record at any time.

In addition, if I exit before my 90 day probationary period I will be responsible to reimburse \$55.00 for the pre-employment drug test performed. Owner operators will be responsible to reimburse \$55.00 for the pre-employment drug test and \$105.00 for placards given for each unit registered with **National Transportation Services, Inc.**

Name (please print)

Signature

Driver's License Number

Issuing State

Date