

Chrysler LLC Worldwide Transportation & Customs (WTC)

Supply Chain Challenges from a Canadian Perspective

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Matthew Diesch

Manager, Logistics Systems & External Affairs

- 1,034 employees (134 staff, 900 Chrysler Transport drivers, mechanics and dispatch)
- 370 Logistics Suppliers (including truck, rail, lead logistics providers, and third party service providers)
- 64 rail yards in the US, Canada, and Mexico for vehicle distribution
- 37 airports, sea-ports, and land borders handling import/export material flows in NAFTA
- 28 plant and regional integrated logistics centers (15 plants and 13 regions)
- 17 plant origin vehicle storage yards

Daily US/Canadian Border Crossing Statistics

- 13,000 – 14,000 trucks cross the Ambassador Bridge daily
- 1,500 Chrysler border crossings per day - represents 11% of the total daily truck traffic
 - **725 from Canada to U.S.**
 - **775 from U.S. to Canada**
- 350 loads per day of finished vehicles cross from Canada to the U.S.
 - **300 over Ambassador Bridge in Detroit**
 - **50 Loads at Peace Bridge in Buffalo**
- 96% of northbound and southbound shipments arrive by truck – 4% by rail

Chrysler Financial Impact

- \$13.1 Billion (US\$) worth of vehicles and parts entered from Canada into the U.S.
 - \$11 Billion in vehicle shipments
 - \$2.1 Billion in parts shipments

- \$11.3B (CND\$) worth of vehicles and parts entered from the U.S. into Canada
 - \$5.6 Billion in vehicles
 - \$5.7 Billion in parts

- \$1.2 Million in U.S. duties paid on Canadian part shipments and Non-Production Material

FAST – Free and Secure Trade

- Allows for expedited Customs manifest submission and border processing
- Requires extensive driver background check
- Chrysler carriers including CTI are 100% FAST certified for both Canadian and Mexican border crossings

C-TPAT – Customs Trade Partnership Against Terrorism

Background: In direct response to 9/11, the U.S. Customs Service, now U.S. Customs and Border Protection (CBP) challenged the trade community to partner with CBP to design a new approach to supply chain security focused on protecting the United States against acts of terrorism by improving security while simultaneously speeding the flow of compliant cargo and conveyances. The result was the Customs-Trade Partnership Against Terrorism (C-TPAT) – an innovative, voluntary government/private sector partnership program.

Goals:

- a. Improve supply chain security for shipments into the U.S.
- b. Provide benefits and incentives to companies that meet or exceed C-TPAT supply chain security criteria
- c. CBP can then concentrate inspectional resources and capabilities on high risk shipments

Benefits:

- a. Reduced intensive examinations
- b. Priority clearance processing over non-C-TPAT members
- c. Ability to participate in FAST (You must be a C-TPAT member to be in FAST)
- d. Corporate goodwill with Customs and Border Protection

Launched November 2001 – Chrysler was one of the original 7 major importers in the program (Today over 7,400 companies are enrolled)

Detroit River International Crossing (DRIC)

- **Efficient Routing:** The Detroit River International Crossing (DRIC) project would provide direct access to the EC Row/401 Expressway - The current bridge requires a 1.5 mile diversion on Huron-Church Rd, which is slow and cumbersome.
- **Operational Flexibility:** When there is a delay or other significant issue at one crossing, traffic could be shifted to the other crossing in support of the just-in-time delivery windows to our various assembly plants on both sides of the border.
- **Competitive Alternative:** There is no viable alternative to the current bridge and Chrysler would prefer to have competitive alternatives to the current \$30 (approx - due to weight basis) one-way bridge crossing fee for a loaded tractor/trailer.