

STATEMENT FOR THE RECORD

MERCEDES-BENZ USA, LLC

HOUSE VETERANS AFFAIRS COMMITTEE, SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

HEARING:

How to Improve Access to GI Bill Approved Apprenticeship Programs and How these Programs Benefit Veterans

SEPTEMBER 27, 2017

Dear Chairman Arrington, Ranking Member O'Rourke:

Chairman Arrington, Ranking Member O'Rourke and Members of the Economic Subcommittee, thank you for the opportunity to provide a statement for the record addressing GI Bill approved apprenticeship programs. The Subcommittee's hearing on U.S Department of Veterans Affairs - approved workforce development programs that utilize GI Bill benefits examines a tremendous public-private partnership opportunity uniquely suited to American men and women service members.

On behalf of Mercedes-Benz USA, LLC ("MBUSA"), I appreciate the opportunity to provide the Subcommittee information on a program MBUSA has launched that seeks to identify, train, and employ U.S. veterans at Mercedes-Benz dealerships across the country.

Headquartered in Atlanta, Georgia, MBUSA is responsible for the distribution, marketing and customer service for all Mercedes-Benz products in the United States including Mercedes-Benz Vans and smart.

In 2015 Mercedes-Benz USA launched MB DRIVE. MB DRIVE aims to train the next generation of automotive service technicians. The program began in response to the over 300 Mercedes-Benz dealers in the United States that are increasingly finding it difficult to recruit, train, and retain skilled automotive technicians to work in their service departments. The problem is exacerbated by a growing U.S. car park (vehicle population), increasingly sophisticated vehicle designs, and a qualified technician workforce in decline. MB DRIVE intends to respond to that challenge.

The challenge is growing. In 2014 the U.S. vehicle park was approximately 3.42 million. That year the number of technicians required to meet that demand for service stood at just over 4,130 nationwide. Fast forward to 2020 and 2028, the vehicle park is estimated to grow to 4.71 million and 6.2 million respectively. To service those vehicles U.S. dealerships will need 6,930 technicians in 2020 and 9,110 technicians in 2028. Dealerships are experiencing severe technician shortages that are only compounded by the high, 25 percent rate of turnover among technicians. As vehicles become increasingly electric and connected more technicians with the right skills set are needed to diagnose and troubleshoot vehicle faults.

MB DRIVE began accepting students in October 2015. MB DRIVE courses are taught at four locations in Grapevine, Texas, Jacksonville, Florida, Long Beach, California and Norwood, Massachusetts. The 16-week technician training and development program gives qualified students the opportunity to learn

extensive Mercedes-Benz product knowledge, customer service best practices, and career preparation. With a format that includes 90 percent workshop instruction and 10 percent classroom setting students gain hands-on experience with Mercedes-Benz vehicles and equipment including information systems and other in-demand automotive technician skills.

In July 2017 MBUSA announced that it had received approval from the U.S. Department of Veterans Affairs including State Approving Agencies to become the first luxury automotive manufacturer to offer a Registered Apprenticeship Program in four States, certifying MB DRIVE as part of the National Apprenticeship System. It is now an official apprenticeship program certified by the U.S. Department of Labor and U.S. Department of Veterans Affairs. This distinction allows military veterans to receive their GI Bill benefits during the four month program, but also up to eight months of GI Bill benefits once employed by an authorized Mercedes-Benz dealers. After only six months of dealership experience, students will become Service Technicians- a title that can take years to earn outside of MB DRIVE. MBUSA will soon begin the process of identifying, recruiting, and onboarding U.S. veterans at the four approved location sites.

MBUSA is proud to help military veterans utilize their unique skills set and develop meaningful, technical careers. Recognizing veterans' high level of commitment, technical hands-on experience, keen ability to work as a team, and quickly and adeptly problem-solve, MBUSA believes these individuals are excellent candidates for addressing the workforce needs at dealerships. With this in mind, MBUSA looks forward to fully ramping up the MB DRIVE program to America's veteran heroes.

MBUSA appreciates the Subcommittee's interest in this subject and invites Members to tour any one of our four locations to better understand the MB DRIVE program.

Thank you.