

GM, Chrysler Buoy Auto Industry with Hiring News

By TOM KRISHER
AP Auto Writer

HAMTRAMCK (AP) – General Motors and Chrysler, two companies that nearly died last year before getting government bailouts, showed further signs of recovery last week as each announced plans to hire 1,000 engineers and researchers.

GM's hiring will begin immediately and run through the next two years as it adds staff to work on the next generation of electric vehicles. Chrysler said it will hire during the next four months to help handle global growth as well as expansion of its small and midsize vehicle lineup.

The moves each are a sign of confidence as the automakers come back from stays in bankruptcy protection last year. GM is making money and Chrysler has narrowed its losses, both operating with far less debt and lower labor costs than when they were near to the brink of financial ruin.

The GM hiring was announced by CEO Dan Akerson during a ceremony as the company prepares to deliver the first Chevrolet Volt rechargeable electric cars to customers. Akerson also disclosed that GM is selling the \$41,000 Volt at "close to cost," but said its vehicles of the future will benefit from Volt technology.

Akerson, who drove the first production Volt onto a stage at a Detroit-area factory, said electric vehicles are critical to the global auto industry and ending dependence on oil. GM wants to lead in the new technology, and the new Volt, he said, is the "first step in a long journey to develop the technology in this country, in this company."

The new engineers and researchers will work on battery technology, electric motors and power controls for electric cars, gas-electric hybrids and even hydrogen fuel cell vehicles, GM said. The technology jobs are the first major additions to GM's U.S. salaried ranks since the company emerged from bankruptcy protection last year, spokesman Tom Wilkinson said.

General Motors Co. has retained or added around 8,100 manufacturing jobs in that time. It now has 209,000 workers worldwide, including 26,000 white-collar workers in the U.S.

Ex GM Designer To Head Lincoln

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and its first-ever C-segment vehicle.

Lincoln's hallmarks will be refined, modern design, the most fuel-efficient premium powertrains and industry-leading technology that create a unique driver experience both in the cabin and on the road. The future of Lincoln is building from a strong base that includes the flagship MKS large sedan, the significantly refreshed 2011 MKX crossover, the MKT seven-passenger crossover and a significantly refreshed MKZ midsize sedan with a hybrid powertrain.

"Working with a young, motivated and internationally experienced team with the opportunity of taking a brand to the next level is very exciting, as is the opportunity to work with J Mays and Moray Callum," said Wolff.

Treasury Says TARP Returned

By JIM KUHNHENN
Associated Press

WASHINGTON (AP) – Congress' independent budget agency says the cost to taxpayers of the contentious \$700 billion financial rescue has dwindled down to \$25 billion.

The Congressional Budget Office estimates that as of this month the government will recoup most of the money spent.

The \$25 billion represents unrecovered money spent to bail out insurance giant American International Group and automakers Chrysler and GM. All three, however, have paid back some of their rescue money.

Chrysler Group LLC said its new engineers and technology workers are in addition to nearly 5,000 people it has hired since emerging from bankruptcy protection in June 2009. Chrysler, which is being run by Fiat CEO Sergio Marchionne, now has just over 49,000 workers worldwide, including 13,000 white-collar employees.

It has announced plans for 11 new or revamped cars by the end of this year, and it is integrating Fiat technology into its newest models.

GM has been making Volts at its Detroit-Hamtramck factory for several weeks but has yet to ship them as it does final quality checks, the company said. The Volt will go about 35 miles on electric power, then a small gasoline engine kicks in to generate power for the car. The Environmental Protection Agency says it will get the equivalent of 93 miles per gallon on electric power in combined city-highway driving and 37 mpg when running on just the gas generator.

GM would not answer further questions about Akerson's comments about selling the Volt at close to cost.

In his book "Overhaul," about last year's U.S. government efforts to save GM and

Chrysler Group LLC from ruin, former Obama administration auto czar Steven Rattner said early versions of the Volt would cost about \$40,000 to manufacture, not including development costs. The car, he wrote, would not have a positive impact on GM's finances anytime soon.

But Akerson and other GM executives said the big benefits from the Volt are learning about electric technology and convincing people on both coasts that GM is a green company. He also equated the Volt's development to the first digital camera, which brought expertise and economy of scale to companies who now sell far more sophisticated cameras for a low cost.

GM has plans to use the Volt powertrain in more of its vehicles, including an Opel version to be called the Ampera in Europe.

"You're going to see the electrification of the car in every size, every model over the next 10, 15, 20 years, or the migration of other Volt technologies," Akerson said after speaking to about 1,500 workers at the Volt factory.

North American President Mark Reuss wouldn't say how many orders it has for the Volt, but the company has disclosed that it plans to build

10,000 of them in the first year of production and up to 45,000 more in 2012.

GM has had 240,000 inquiries about buying the Volt on its websites, Reuss said. The company is preparing to add production should demand be higher than anticipated, he said. The company will export Volts from the Detroit-Hamtramck plant, but it will not limit sales in North America to export the cars, Reuss said.

Although the Volt has a \$41,000 base price, the company is offering a \$349 per month, 36-month lease deal that could boost sales. The car costs \$8,000 more than the base price of its closest competitor, Nissan's Leaf electric hatchback. But Nissan also is offering a similar lease deal. Both cars are eligible for a \$7,500 tax credit.

GM, Akerson said, is working on the next generation of Volt batteries and other components now, and Akerson said the cost will likely come down.

GM is trying to keep content and quality of the Volt high while trimming costs, he said. "That will come with volume," he said.

All in all, the Big Three are in better shape than most expected going into 2011.

U.S. Auto Scene

– First Published in 1993 –

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AD DEADLINE: Thursday 5:00 p.m. for the next edition
Ads@SpringerPublishing.com 586-939-5850 Fax - SPC Warren

William L. Springer II, Publisher
Hal Watts, Local News Editor
Debra Joswick, Ad Design
Chris Zawislinski, Circulation

Springer Publishing Co., Inc. © 2011
31201 Chicago Road South
Warren, Michigan 48093
586-939-6800

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The third-party honors keep coming for the 2011 Jeep Grand Cherokee. Most recently, *Decisive Media* named it as the "Urban Truck of the Year."

Jeep Grand Cherokee Continues To Pile Up Third-Party Awards

Editors of *Decisive Auto* magazine and a panel of 15 independent automotive journalists have chosen the all-new 2011 Jeep Grand Cherokee as *Decisive Media's* "Urban Truck of the Year."

"While faithfully capturing the spirit of its predecessor, the 2011 Jeep Grand Cherokee is new and improved in every way," said Lyndon Bell, Editor-in-chief – *Decisive Auto* magazine.

"The Jeep's over-the-road dynamics easily rivals that of its competitors' less capable crossover vehicles. Meanwhile, the Jeep is also perfectly proficient at traversing any terrain."

Luxurious interior appointments – along with the fact that drivers aren't penalized into accepting a lower trim level if they opt for the more fuel-efficient engine – speaks volumes to the way Jeep's engineers and product planners incorporated 21st century realities into America's most iconic SUV."

Before choosing Jeep's new premium SUV, the Urban Vehicle judging panel spent several months driving dozens of vehicles in a variety of North American urban settings. Consideration focused on several categories, including styling, practicality and attainability attributes of each vehicle.

"The 'Urban Truck of the Year' award reinforces the all-new Jeep Grand Cherokee's

broad appeal," said Mike Manley, president and CEO – Jeep Brand, Chrysler Group LLC.

"Jeep is pleased that this panel of influential journalists has recognized that the new Grand Cherokee delivers the perfect blend of on-road refinement, superb craftsmanship, world-class design, improved fuel economy, innovative features, and legendary real-world capability."

The Urban Vehicles of the Year will be formally presented at the 15th Annual Urban Wheel Awards on Jan. 9, 2011, leading into the North American International Auto Show activities.

The "Urban Truck of the Year" is the latest in a list of awards the all-new 2011 Jeep Grand Cherokee has recently captured. Other accolades include:

- *Consumers Digest* – "Best Buy"
- *Popular Mechanics* – Automotive Excellence Award for Off-Road Ability
- Texas Auto Writers Association – "SUV of Texas"
- Texas Auto Writers Association – "Full-size SUV of Texas"
- Ruedas ESPN – "Best SUV"
- Insurance Institute for Highway Safety (IIHS) – Top Safety Pick.

The Jeep Grand Cherokee will be feted as "Urban Truck of the Year" at the Detroit auto show in January.

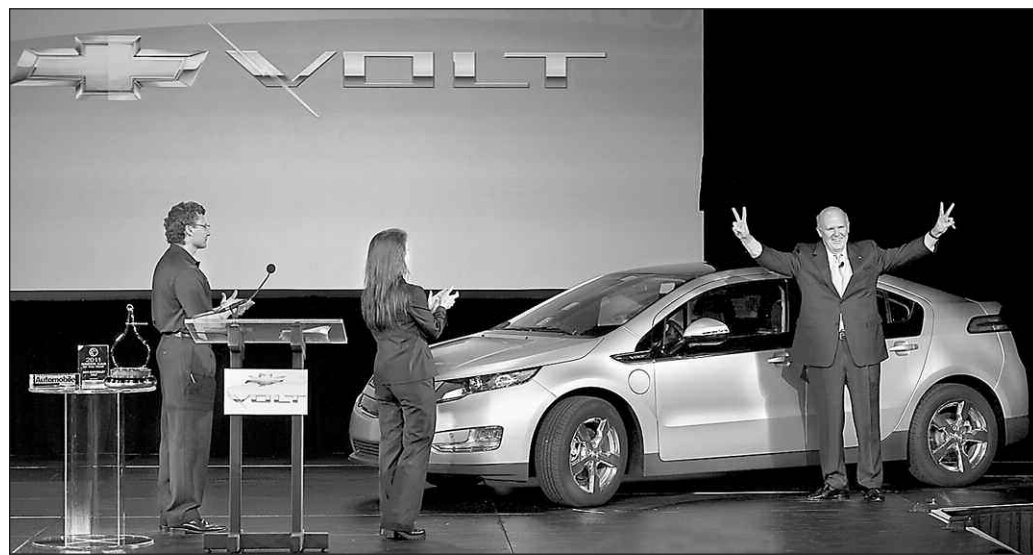


PHOTO: STEVE FECHT

General Motors celebrates the launch of the Chevrolet Volt. GM CEO Dan Akerson (right) is on stage with Detroit-Hamtramck Assembly Plant Manager Teri Quigley (center) and UAW Local 22 Shop Chairman Frank Moultrie.

GM CEO Akerson Applauds Employees At Onset of Chevrolet Volt Production

By Stefanie Carano
Staff Reporter

It's official – General Motors has begun production on its Chevrolet Volt, a vehicle expected to start arriving in dealerships in select states come January.

The Nov. 30 launch celebration at the Detroit-Hamtramck Assembly Plant, final assembly of the Volt, saw GM CEO Dan Akerson arrive on stage in a Chevy Volt VIN 00001. Stepping out of the vehicle, Akerson commended employees for their hard work in getting the Volt to production.

"Given everything that GM's been through in the last several years, it would've been easy to let the Volt die, but you didn't let that happen," he said.

"It would've been easy to scale back the Volt project, to make it a battery-only vehicle, or conventional hybrid, but you didn't let that happen either. Instead, you, we, kept a promise and built a car like no other and it gives us a chance to affect change in ways that we think will affect the automobile forever."

GM Vice Chairman Tom Stephens said the Volt is evidence of what can be accomplished when you focus on creating the world's best vehicles.

"The Volt marries the excitement of electric drive with great emotional appeal. It's an innovative solution that eliminates range anxiety. It has a bold, distinctive design both inside and out and it's the most aerodynamic sedan Chevrolet has ever built," Stephens said.

"The Volt is piling up the awards and this shows that we're not the only ones to appreciate innovations and technology. The *Wall Street Journal* said that our team just out-engineered every other car company on the planet."

He said developing the Volt has strengthened the company's knowledge of advanced technology capability, and that knowledge will be a huge

advantage to GM as the electrification of the automobile continues to grow.

Akerson said that, with the production of the Volt, the company is hiring an additional 1,000 engineers and researchers to focus on the development of battery technologies and electric motors.

"And that's been brought forward by incentives made possible through the state of Michigan and local authorities," Akerson said.

Former GM executive Bob Lutz, who was influential in getting the vehicle produced, made a special appearance during the event.

"I just wanted something

that was way beyond anything that any famous environmentally-sensitive automobile company, whose name I won't mention, had thought of," Lutz said. "The Volt is here and that is a tribute to the perseverance, knowledge, skill and dedication of the men and women at General Motors."

As a vehicle considered a game-changer for the company, Volt 00001 will be displayed at the GM Heritage Center in Sterling Heights.

Volt VIN 00002 will be sold at a public online auction at www.bidonthevolt.com. One hundred percent of the proceeds from the sale of VIN

Volt Launch Party Brings Lutz Out of 'Retirement'

By Gerald Scott
Staff Reporter

Like Caesar, or maybe at least MacArthur, retired GM Vice Chairman Robert Lutz returned triumphant to the GM Hamtramck Assembly plant last week for the launch of the first production Chevrolet Volt cars.

Considered by most to be the proverbial "father of the Volt," Lutz, who was GM's vice chairman for Product Development from 2001 to 2010, indeed helped bring the Volt to life after it was initially introduced as a concept vehicle at the Detroit auto show back in 2007.

Counting its corporate bankruptcy in 2009, the past three years were among some of the most mercurial and tenuous in GM's entire 100-plus-year history, so the fact that the Volt survived just to get to launch phase was hardly a fait accompli.

But thanks to Lutz and other key Volt team members, they collectively all helped to shepherd the Volt and its new Voltec platform technology through General Motors and today the Detroit automaker has a new "halo vehicle" to hang its technical and reputational hat on.

Typically, Lutz was in fine

form in delivering remarks to the GM Hamtramck Assembly audience that included GM executives, UAW workers and the media.

Lutz officially retired from GM over six months ago, but it was perhaps inevitable that GM invited him to return for the Volt launch program to share in the glory of a triumphant moment.

"This is the first time I've gotten up before 9 o'clock in a long time," Lutz joked to smiles and applause.

But it was the story of the survival of the Volt during GM's darkest hours that really held everyone's attention.

"Listen, because of my experience on the front lines in the battle to create this vehicle – believe me, it was a battle – I'm really pleased this launch is upon us. The story is a long one and an interesting one and you can read it in epic detail in my forthcoming book entitled, "Car Guys vs. Bean Counters,"" Lutz said.

"There were many contentious meetings with the (GM) Automotive Strategy Board on the topic and I will say at one point, Rick Wagoner, who presided over these contentious meetings with a lot of aplomb, grace and fairness, finally turned to me and said, 'Bob, we lost \$1 billion

on the last electric vehicle (the EV1) – how much do you propose we lose on this one?"

"But despite initial skepticism, the senior leadership, me and the board finally made the right decision, approvals were made and here we are today."

Easier said than actually done, of course, as Lutz allowed that the main technical argument during the 29-month development phase of the Volt was whether the car should become a pure electric vehicle, like the Nissan Leaf, or something new in what it actually became – a plug-in EV with Extended Range, meaning, of course, that it has that gasoline engine aboard to constantly recharge the batteries once the initial, 40-mile-range battery charge is depleted through travel.

"Obviously, we are here, and the Volt is here, and that is a tribute to the perseverance, knowledge, skills and dedication of the men and women of General Motors," Lutz continued.

"I've said it before, this is proof positive that General Motors still is the repository of more intellectual property, skill, knowledge in advanced technology than any other car company in the world – be-



Retired Vice Chairman Robert Lutz was in fine form last week, when GM asked him to speak about the history of the Volt at the GM Hamtramck Assembly plant.

cause nobody else could've built this car. I said it in 2007 and I'll say it again now: GM's biggest challenge is reputation. And the Volt will go a long way for changing the minds of a lot of people in California and on the East Coast about what General Motors is all about."

On the viewing stand at GM Hamtramck, the Volt car looked sharp, as did its proverbial father, retired car guy and still champion of all things General Motors – Robert Lutz.