

OnStar Now Available for Most Top-Selling Vehicles

LAS VEGAS – OnStar last week announced that it is responding to repeated consumer requests by offering its industry-leading safety, security and connectivity services for non-GM and older GM vehicles already on the road.

A standalone rearview mirror packing all of OnStar's core technology will be available this spring through consumer electronics retailers, and is compatible with most top-selling vehicles from major manufacturers.

The OnStar retail product offers the key features that have made OnStar's "blue button" an icon, including Automatic Crash Response, Turn-by-Turn Navigation, Stolen Vehicle Location Assistance, one-button access to emergency and roadside services, and hands-free calling, including Bluetooth connectivity.

"For years, thousands of drivers have asked us to get OnStar in vehicles that didn't feature it as standard," said Chris Preuss, OnStar president. "With the retail product that we've introduced today they certainly can."

"This move into the consumer electronics space represents the biggest development in our business model since introducing OnStar as standard across all GM products several years ago. It represents a quantum leap forward in our plans to grow our business and provide a strong new revenue base for GM and OnStar from which we can further develop our core offerings in the factory-equipped market."

OnStar will offer the mirror in the United States through Best Buy, its first strategic retail partner, beginning in spring 2011. The product will also be available through other selected consumer electronics retailers.

The mirror will be priced at \$299, plus installation (expected to cost between \$75 and \$100). A range of service plans will be available, starting at \$18.95 a month or \$199 a year.

"We're proud to be OnStar's first strategic retail partner for this innovative offering,

which is one more way Best Buy can help our customers stay connected whenever and wherever they want," said Lisa Farrell, senior vice president and general manager of the portable electronics customer solutions group at Best Buy.

"We provide a one-stop solution for consumers. In addition to purchasing the device at Best Buy, we offer our customers the convenience of having it installed by our Geek Squad Auto Techs – all at one location."

Ingram Micro will serve as the key distributor of this product and is the main contact for interested retail outlets.

Currently, the OnStar mirror is certified to work on 99 percent of the top 20 selling non-GM vehicles over the last 10 years, or approximately 55 million cars and trucks. OnStar expects to certify additional models in the months ahead.

Key features of the OnStar mirror include:

- **Automatic Crash Response.** An accelerometer built into OnStar the mirror detects the sudden shock of an impact from the front, side, or rear of the vehicle and automatically calls an OnStar advisor. If the driver doesn't respond, or responds to say there has been a crash, an OnStar advisor will direct emergency responders to the exact GPS location of the vehicle.

- **Link to Emergency Services.** By pressing OnStar's red emergency button, drivers are immediately connected to a specially trained emergency advisor for assistance in situations occurring inside or outside of their vehicle.

- **Stolen Vehicle Location Assistance.** If the vehicle is reported stolen to local law enforcement, OnStar subscribers can call 1-888-4-ONStar (1-888-466-7827) from any phone. OnStar advisors, available 24/7, can attempt to locate the vehicle through the mirror's internal GPS and provide the location to law enforcement.

- **Turn-by-Turn Navigation.** With OnStar's most popular

service, drivers can press OnStar's blue button and ask OnStar advisors for directions to a specific location or ask the advisor to find a point of interest such as a gas station or nearby restaurant. The directions are then downloaded to the OnStar system, which provides spoken turn-by-turn directions for reaching the destination.

- **Roadside Assistance.** In non-emergency situations, drivers can push the blue button or call 1-888-4-ONSTAR for help with problems such as keys locked in the vehicle, a flat tire, or running out of gas.

- **Hands-Free Calling.** OnStar allows drivers to make hands-free, voice-activated calls either through a Bluetooth connection to the driver's mobile phone or through prepaid packages of minutes purchased through OnStar.

All these services are available directly through the OnStar mirror, without requiring the driver to bring along a mobile phone or even own a mobile phone. In the event of an accident, emergency services are alerted even if there is no mobile phone in the vehicle, the phone is damaged in a crash or the driver is unable to use a phone.

OnStar is now in its ninth generation of technology. The first-generation OnStar product in 1996 was composed of



OnStar President Chris Preuss announces OnStar is expanding beyond GM cars.

38 individual components and could take up to four days to install.

Now, all of the technology required to deliver the OnStar experience fits inside a rearview mirror weighing only 23 ounces, and professional installation is expected to take less than an hour. This requires removing the vehicle's current rearview mirror, replacing it with the OnStar product and running an electric power source to the new mirror.

Prior to the Consumer Electronics Show in Las Vegas, Preuss gave the local media a briefing at the OnStar lab at the RenCen in Detroit.

Fiat Anticipates Taking Greater Share of Chrysler

By COLLEEN BARRY
AP Business Writer

MILAN (AP) – Italy's Fiat is edging closer to becoming a global car maker. It has split off its farm equipment and truck business to focus on automobiles, and says it could take control of Chrysler this year.

The move comes as Chrysler boosts sales, introduces new cars and prepares to take its stock public again after last year's bankruptcy.

"I think it is possible, I don't know whether it is likely, but it is possible that we go over the 50 percent if Chrysler de-

termines to go to the market in 2011," Fiat CEO Sergio Marchionne, who is also CEO of Chrysler, told reporters here in Italy last week.

His comments at the stock exchange came as Fiat Industrial began trading separately from the automaker.

The unwinding of Fiat Industrial – which includes CNH agriculture and construction vehicles and Iveco trucks – marks a historic shift for the 111-year-old automaker, Italy's largest industrial concern and employer. It is a key step toward achieving Marchionne's goal of creating a global automotive player with

Visteon, 3M Display New Demo Vehicle at CES

LAS VEGAS – Visteon Corp. and 3M last week introduced a new technology demonstration vehicle targeted at consumers in global-growth markets such as Asia, Eastern Europe and South America.

The demo vehicle debut came at the 2011 Consumer Electronics Show in Nevada last week.

Technologies demonstrated on this vehicle include Visteon innovations in electronics, lighting, interiors and climate, as well as an array of 3M products and solutions.

"Together, Visteon and 3M conducted extensive market research to better identify the mobility wants and needs of today's consumers in growth markets," explained Tim Yeardon, Visteon global director of innovation and design.

"New automotive solutions were born from these findings and integrated into this technology demonstration property to share with automakers, so they can consider implementing these technologies in future models."

Representatives from both companies observed drivers in target markets and how they interacted with their vehicles, then entered into dialogue regarding their driving experience.

Workshops were also held

to gauge the consumer's sense of perceived quality.

Output from this research resulted in an outline for the Growth Market Project, yielding a compilation of technologies considered by target consumers as having high value and quality, and designed to reflect local needs.

"While this project encompasses all product areas at Visteon, we elected to unveil this demonstration vehicle at CES for its unique implementation of cockpit electronics technologies," explained Yeardon.

"CES is the premier electronics-based event where Visteon can engage customers, technology partners and suppliers in a single venue."

Local Visteon experts in various growth regions provided insights to ensure that the project's styling, design and features appeal to emerging market consumers while offering maximum customization.

"We're pleased to be part of this exciting project," said Dr. Steven Vander Louw, global technical director, 3M Automotive Division.

This is the second such collaboration between Visteon and 3M in developing a technology demo vehicle.

Chrysler to build 6 million cars a year by 2014.

Fiat took a 20 percent share in Chrysler LLC in 2009, gaining effective control after Chrysler emerged from bankruptcy. In exchange, Chrysler got small-car and clean-engine technology and Fiat's management know-how.

Fiat expects to boost its Chrysler stake to 35 percent this year by meeting three milestones.

To get to 51 percent, Fiat would have to repay Chrysler's loans from the U.S. and Canadian governments.

UBS analyst Philippe Huchois said that is "very likely," anticipating repayment as early as the second quarter. That, he said, would allow Fiat to buy the 16 percent share it needs at a discount to what it will likely go for once Chrysler resumes public trading.

Huchois said it would be contingent on Chrysler's refinancing a portion of the \$6.9 billion it owes to the U.S. and Canadian governments, which would create savings in long-term interest. He expected Chrysler would refinance all but \$2 billion, which comes due in October.

"They need to find banks willing to lend money," Huchois said, adding that the improving U.S. auto market and Chrysler sales should help prospects.

Chrysler sales have risen faster than the U.S. industry clip boosted by new Jeep Grand Cherokee and other models. It prepares to roll out new models on smaller Fiat platforms and more fuel-efficient engines. Twelve models produced by Fiat or based on Fiat underbodies are planned for the next two years.

Marchionne's next corporate move will be to get Chrysler back on the U.S. stock exchange, which he confirmed was likely in the second half of 2011. Analysts expect the companies to eventually combine although Marchionne repeated Monday he has no immediate plans to do so.

"A legal merger is not going to change our life," Marchionne said, adding that the two companies are already integrated industrially.

Fiat has forecast the new auto company will have revenue of 64 billion euros by 2014 while Fiat Industrial revenues will be 29 billion euros.

He said separating the auto from the industrial businesses will allow each of them to operate with more clarity, and give them greater agility to seek alliances.

"Faced with the great transformations in place in the market, we could no longer continue to hold together sectors that had no economic or industrial characteristic in common," Marchionne said at an opening ceremony at the stock exchange.

Marchionne has said he is

on the lookout for alliances that will help the industrial and auto businesses to thrive. He repeated last week that he does not need to sell assets to keep the businesses going, and has shrugged off Volkswagen's expressions of interest in the struggling Alfa Romeo sports car brand, which he plans to launch in the United States. On the industrial side, potential partners include Daimler.

Marchionne's plans to come out of the world economic crisis as a mean-and-lean global competitor has run into some labor resistance in Italy, where he wants to improve lagging productivity.

Fiat has reached deals for more flexible work rules in two key plants – Pomigliano near Naples and the historic Turin plant Mirafiori, clearing the way for 2 billion euros in investments.

Marchionne has made the more flexible work contracts – which add shifts and make it more difficult to strike during full production – a condition for his plans to invest a total 20 billion euros in Italy and double auto production.

Marchionne has promised to raise salaries to reflect improved production. But that has not persuaded one union holdout, FIOM, which says the plant-by-plant negotiations are undermining Italy's system of national contracts.

While the deal for Pomigliano – where Fiat will make new Pandas – has been formalized over FIOM's objections, the agreement in Mirafiori still faces a worker referendum later this month. FIOM has announced an eight-hour strike on Jan. 28 to protest the new contracts.

Marchionne has announced a joint venture at Mirafiori to build Alfa Romeo and Jeep brand vehicles, the first overseas expansion for Chrysler under Fiat's stewardship.

Auto Writer Dee-Ann Durbin contributed from Detroit.

Sprinter Van Has Sales Gain

Daimler Vans USA reported that its Sprinter van sales volume for 2010 increased, the result of unit sales of 8,559 vans. That is a 2.5 percent increase over the previous year's totals.

Though the Sprinter van has been a familiar sight in the U.S. market since 2001, last year was the first that Daimler was sole sales operator of the vehicle through Daimler Vans USA.

The highly successful Mercedes-Benz Sprinter made its European debut in 1995, and a new-generation Sprinter was launched globally in 2006.

In the U.S., the Sprinter is targeted toward small business fleet sales.

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