

Sergio Gives Windsor Assembly Plant his Blessings

WINDSOR, Ont. – Joined by Chrysler Group CEO Sergio Marchionne, government officials and CAW leadership, employees at the Windsor Assembly Plant (WAP) last week celebrated the launch of production of the new 2011 Dodge Grand Caravan and Chrysler Town & Country.

The vehicles are two of the 16 new or significantly refreshed products the automaker debuted last year.

Marchionne and Chrysler Canada President and CEO Reid Bigland, along with Ontario Minister of Economic Development and Trade Sandra Pupatello, Ontario Minister of Finance Dwight Duncan, Windsor Mayor Eddie Francis, CAW President Ken Lewenza and other local officials, recognized the importance of the plant, the workforce and the new minivans to the future success of the Company during a ceremony at the plant.

"The new 2011 Dodge Grand Caravan and Chrysler Town & Country remain key parts of our revival plan," Marchionne told more than 1,200 employees in the audience.

"Our collective future is dependent on the success of this plant and these vehicles. We're in this battle together. We must continue to put our trust in each other and make a true, full-faith effort to work together."

Marchionne also reminded employees that it was with the assistance of the federal government of Canada and the Province of Ontario that Chrysler has been given an opportunity to create a future.

"Chrysler Group owes a deep debt of gratitude to taxpayers in Canada and the U.S. for the loans that enabled a reenergized, restructured company to emerge in June 2009," said Marchionne. "We recognize we have a moral responsibility to fulfill our promises, justify these investments and pay back every penny that was loaned to us."

In preparation for the launch of the new 2011 Dodge Grand Caravan and Chrysler Town & Country, the automaker has invested more than \$1.4 billion USD since 2008 for assembly, stamping,

material handling and tooling, as well as improvements to the Windsor paint shop.

Windsor is currently the only Chrysler Group assembly plant that operates on three shifts with more than 4,400 employees.

"This is a proud day for Chrysler Group and the CAW as it launches two new minivans, thereby preserving good manufacturing jobs in Canada," said Lewenza. "Our commitment and effort over more than 25 years have played an important role in the success of the Dodge Grand Caravan and Chrysler Town & Country."

Chrysler Canada has played a vital role in helping the automaker meet the goals outlined in November 2009, according to a company statement.

As it begins its 86th year, Chrysler Canada reported a sales increase of 26 percent in 2010, achieving the highest year-over-year sales growth in Chrysler Canada history and its 13th consecutive month of year-over-year sales increases.

As a result, Chrysler Canada gained two percentage points of share – more than any other manufacturer – increasing its market share to 13 percent.

Annual sales records were reported for the Dodge Grand Caravan and Ram pickup truck, with the Dodge Journey being Canada's best-selling crossover.

Additionally, the Dodge Grand Caravan was one of the country's top five best-selling vehicles.

Altogether, Chrysler's minivan sales in Canada grew by 37 percent in 2010. In fact, Chrysler Canada claimed 74 percent of the Canadian minivan market.

Production at the Windsor Assembly Plant also rose 62 percent last year and, overall, Chrysler's Canadian production rose 51 percent, making it the number two manufacturer in the country in 2010.

In preparation for the launch of the new 2011 Dodge Grand Caravan and Chrysler Town & Country, employees at WAP began transforming the facility as part of WCM, an extensive and thorough

process to restore all facilities to their original and maximum functionality.

The rollout of WCM began with putting more than 4,400 employees through more than 30,000 hours of training focused on the principles of WCM and how to identify and attack waste and losses on the line.

As a result, employees have become more engaged with their work and submitted more than 30,000 suggestions on how to improve the processes at the plant. In fact, more than 3,000 employees at WAP have been involved in suggestions and continuous improvement activities in 2010.

Additionally, WCM has helped eliminate unsafe conditions, with a 52 percent reduction in injury frequencies.

Another area of significant improvement has been the area of autonomous maintenance.

Workers take responsibility for cleaning and inspection of equipment in order to eliminate breakdowns. In the body shop, this has resulted in running more than one year with-

out a breakdown due to lack of basic conditions.

In the paint shop, employees restored the 12-year-old robotic sealer application equipment to its original condition.

The team then benchmarked an idea from Fiat to incorporate clear plastic coverings to catch small sealer drips to prevent the critical parts of the equipment from getting dirty and thereby, avoiding future breakdowns.

In total, the implementation of WCM resulted in plant savings of more than \$46 million CDN in 2010.

Chrysler invented the modern minivan in 1983 with the Dodge Caravan and Plymouth Voyager. The first luxury minivan, the Chrysler Town & Country, debuted in 1989.

The 2011 Dodge Grand Caravan and Chrysler Town & Country both benefit from the all-new 3.6-liter Pentastar V6 engine, which provides best-in-class horsepower and more torque, with up to 2 miles per gallon improved fuel economy. Both feature a new fuel-economizer mode that helps maximize fuel efficiency.

Ex-Delphi CEO Cleared Of Most Serious Charges

By ED WHITE
Associated Press

DETROIT (AP) – The former chief executive of Delphi Corp. was cleared last week of the most serious charges in a civil trial tied to allegations of financial fraud at the auto-parts maker in 2000.

Jurors found J.T. Battenberg III liable on three of the seven charges relating to how Delphi accounted for a \$237 million transaction involving warranty costs with its former parent, General Motors Corp.

He and former Delphi accountant Paul Free were cleared of fraud but found responsible for bookkeeping errors and misrepresentations to accountants. Separately, Free was found liable on several charges regarding other transactions at the company. The lawsuit was filed by the Securities and Exchange Commission.

"The finding of no fraud is extremely gratifying," Battenberg, 67, told The Associated

Press. Free and his lawyer could not immediately be reached. SEC trial attorney Gregory Miller issued a brief statement, saying he was pleased.

The verdicts "send a clear message that filing false public statements and misleading investors will not be tolerated," Miller said.

The jury heard nearly 30 days of testimony beginning in October, and deliberations started Jan. 5.

The SEC filed a lawsuit against Delphi and its executives in 2006, alleging that the company manipulated its earnings through several schemes from 2000 to 2004, including the concealment of the GM transaction. Delphi restated its earnings in 2005.

Battenberg's lawyer, William Jeffress Jr., said the verdict was satisfying, although "we're disappointed that they found he violated anything."

He said he could ask U.S. District Judge Avern Cohn to consider the evidence.

Tesla Displays Model S at 2011 Detroit Auto Show

by Gerald Scott
Editor
U.S. Auto Scene

During the recent Detroit auto show, Tesla Motors unveiled an inside look at the Model S, showcasing Tesla's unique approach to vehicle engineering.

The Model S, engineered from the ground up as an EV, is, according to the California automaker, meticulously designed for superior aerodynamics, stability and handling, crash safety, performance and range.

Generally speaking, Tesla is recognized for its innovation in electric powertrain engineering and battery technology. Tesla design is also known for its unique refusal to compromise beauty or efficiency.

And the engineering behind the Model S was put on display at the 2011 North American International Auto Show (NAIAS) at Cobo Center in Detroit.

"We've engineered Model S to be a great driver's car," said Peter Rawlinson, VP of Engineering at Tesla.

"Suspension, aerodynamics, and the marriage of the battery pack to the body structure distinguish Model S as the superior vehicle of its class."

Tesla further says it assembled the brightest, most-promising auto engineers it could find to build the Model S. Rawlinson said they were able to take a fresh approach to the task, without the re-



EV maker Tesla had a high-tech Model S car body on display at the Detroit auto show last week.

strictions often imposed by traditional combustion architecture.

The result, the automaker says, is superior aerodynamics, remarkable torsional rigidity and an in-house extruded aluminum suspension system.

Model S development includes Alpha and Beta testing phases. The Alpha testing phase began in 2010. In the Alpha phase, Tesla tests Model S under extreme conditions for brakes, suspension, driving dynamics, fit and finish, and safety requirements.

Tesla says it already has over 3,500 Model S reservations. The car will begin pro-

duction in mid-2012 at the Tesla Factory (the former GM-Toyota NUMMI plant) in Fremont, Calif.

Meanwhile, Tesla says that in just over two years, it has produced four iterations of the Tesla Roadster, demonstrating Tesla's commitment to innovation and the company's close feedback loop with its customers. In the last year, the Roadster has reached significant milestones, including delivery of more than 1,500 cars globally – and most recently, the car with VIN No. 1000 broke a world record – driving 347 miles on a single charge.

Note that the fleet of Road-

sters spans more than 30 countries. They have already accumulated more than 8.5 million miles in real-world driving, saving 415,000 gallons (or 1.6 million liters) of gasoline and more than 22,000 barrels of oil.

"The Roadster has earned global appeal. Our latest delivery milestone proves the Tesla is raising the bar for EVs," said Tesla co-founder and CEO Elon Musk.

"The Roadster's advanced electric powertrain is the foundation for Tesla's success."

Finally, Tesla also sold its first electric vehicle in Australia last month.

GM's Stephens Is New Chief Technology Officer

DETROIT – In a move to bring greater focus and urgency to developing leading edge technology for all General Motors vehicles, the company last week named Thomas G. Stephens its new Global Chief Technology Officer (CTO).

"Customers today expect and deserve the very best technology from their GM vehicles," said GM Chairman and CEO Dan Akerson. "Tom will make sure that GM technology keeps up with our customers and keeps ahead of our competitors."

The new CTO position is a major element of Akerson's goal to make the company more customer driven and technology focused. In December, Akerson elevated Joel Ewanick to Global Chief Marketing Officer, responsible for GM's brands globally.

As GM vice chairman and Chief Technology Officer, Stephens will strengthen the company's technology vision and focus, working across the global organization to anticipate and deliver innovation for customers in each market.

His primary role is to seek creative solutions and game-changing technologies to help GM shape the automotive future, leveraging internal and external partnerships to benefit customers today and tomorrow.

Stephens also will be responsible for the company's research and development organization led by GM vice president Alan Taub.

"Today's cars and trucks are technology on wheels," said Stephens. "I'm excited about working with the GM team in new ways and focusing my energy to keep us on the leading edge of automotive innovation."

Stephens most recently was vice chairman, Global Product Operations.

Over his 42-year career, he has held a number of key positions, including vice president of Engineering in both



Tom Stephens

the former GM Powertrain organization and GM Truck Group, vice president of Vehicle Integration and executive vice president of Global Powertrain and Global Quality. Early in his career, Stephens was assistant chief engineer of the Cadillac Northstar engine, and plant manager of the Livonia Engine Plant.

Based on his broad experience and expertise, he was elected a member of the National Academy of Engineering, for his leadership role in the development of automotive powertrains with improved performance, fuel efficiency, and lower emissions.

Stephens, 62, will continue to report to Akerson and remains on the company's Executive Committee. His move becomes effective on Feb. 1.

Note that with the earlier retirement of GM Vice Chairman Robert Lutz, Stephens now appears to be the last such "car guy" still serving in GM's upper management following the 2009 bankruptcy event and subsequent management staffing shakeouts.

Stephens, for one instance, is warmly regarded in Warren at the GM Tech Center because he helped restore the big employee summer car show, which had been on a one-year hiatus due to that 2009 corporate bankruptcy.

Gilmore Car Museum Doubling Its Size

HICKORY CORNERS, Mich. – The state of Michigan has been known as the home of the auto industry – despite the recent economic downturn – for more than 100 years and is currently undergoing a renewal.

Like the innovators and the entrepreneurs it has celebrated for nearly a half-century, the renowned Gilmore Car Museum near Kalamazoo, Mich., has embarked on its own reinvention.

The 45-year-old nonprofit organization has begun construction on a museum expansion that will more than double the size of its current facilities and provide year-round public operations.

Thanks to the generosity of its members and supporters, the Gilmore Car Museum has recently raised nearly \$10 million – garnered entirely from private donations, with no tax dollars used – to build the Genevieve and Donald S. Gilmore Automotive Heritage Center.

"The Gilmore Car Museum is so much more than just a tribute to a collection of historic automobiles," explains Keith Crain, Detroit publisher of *AutoWeek* Magazine.

"With the museum's newest construction projects, its on-site museum partners, incredible grounds, outstanding programming and world-class collections, the Gilmore Car Museum is truly becoming the nation's premier car museum."

The nearly 40,000-square-foot Automotive Heritage Center – just one of the museum's current projects – will feature a large exhibit gallery in which even more of the museum collection can be displayed, a state-of-the-art multimedia theater, and an expansive research library and archives, as well as educational and interactive areas, a museum store, offices, and artifact storage facility.

This new building is being fashioned as a recreation of an early 1900s brick factory building, yet features modern innovations, including environmentally friendly materials and energy-efficient geothermal heating and cooling.

When the Automotive Heritage Center is completed later this fall, the museum will also begin year-round public hours for the first time in its 45-year history.

In a state that, more so than many others, has had its share of economic difficulties – a hurting auto industry, high unemployment, and loss of population – the Gilmore Car Museum has continued experiencing unprecedented growth in both attendance and donations. The museum has also made substantial investments in its infrastructure, exhibits, and outreach as a community resource.

These major expansions are part of the Gilmore Car Museum's master plan that was begun eight years ago to develop the facility into the

nation's premier automotive history destination.

The museum has invested more than \$15 million toward buildings, infrastructure and endowment since 2004. Expanding the campus by nine new structures, adding a highly regarded high school restoration program, and creating a research library, has paid off well.

Visitor attendance increased 33 percent over 2009 levels, 56 donations of historic vehicles were accepted, and the museum's continued success and growth has created a positive economic impact felt throughout West Michigan.

Just last spring, the Gilmore Car Museum completed a new exhibit gallery, replicated a Franklin Motor Car Dealership circa 1911, and constructed a new Restoration and Education Center for its "Garage Works" high school program.

Earlier this fall, the Gilmore Car Museum announced the addition of the Model A Ford Museum to its roster. The Cadillac-LaSalle Foundation, Lincoln Motor Car Foundation, and the Model A Ford Museum each anticipate breaking ground for their own museum facilities within the next 18 months, bringing the total to eight distinct, independent museum institutions on the Gilmore Car Museum campus.

In addition to its own collection, the ever-expanding Gilmore Car Museum campus

also serves as the home of the:

- Classic Car Club of America Museum
- Pierce-Arrow Museum
- Franklin Collection at Hickory Corners
- Midwest Miniatures Museum
- Tucker Historical Collection and Library.

While currently renowned as one of the top five car museums in America, the Gilmore Car Museum is truly without equal. Situated on a 90-acre park-like campus, the museum is well known for its collection of nearly 300 extraordinary cars and its more than a dozen historic structures, including Michigan barns, a train depot, a 1930s gas station, and a functioning 1940s diner.

"When Donald and Genevieve Gilmore opened their private collection to the public nearly 50 years ago, they invested the Gilmore Car Museum with a mission to teach and inspire," said museum Executive Director Michael Spezia.

"Through initiatives like building the Automotive Heritage Center, improving on our educational programming and facilities, and providing hobbyists and historians research materials, we have the opportunity to touch even more lives and become a resource for a much larger community."

The Gilmore Car Museum, is located in the heart of west Michigan.