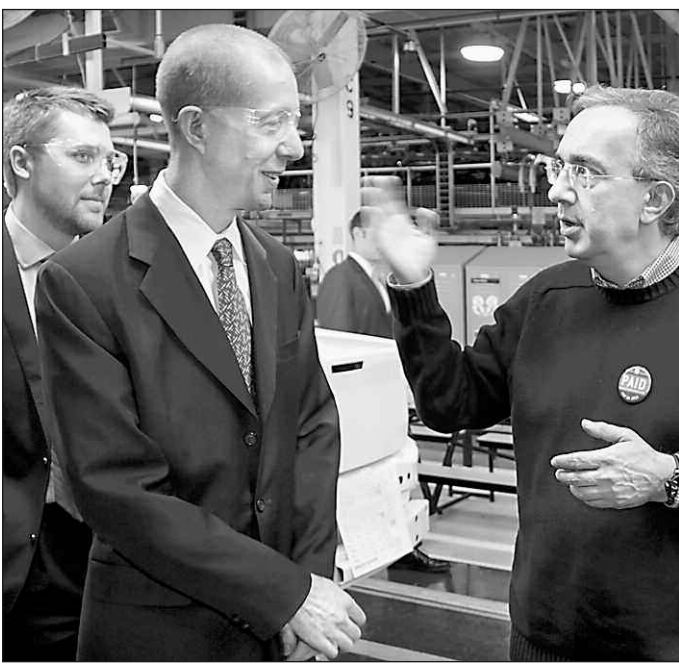




Chrysler CEO Sergio Marchionne gives White House official Ron Bloom, center, and Deputy Director of the National Economic Council Brian Deese a tour of the SHAP plant last week.

Ford Offers Handy Tire Gauge Inflation Advice

DEARBORN – With the approach of Memorial Day weekend, Ford says don't forget to pack your tire pressure gauge along with the summer travel picnic basket and sunscreen.

That's because correct tire pressure plays a huge role in achieving optimal fuel economy.

Despite higher fuel prices than last year, AAA predicts close to 31 million people plan to drive to their Memorial Day destinations.

"Many drivers will be wasting fuel – and money – if their tires are under-inflated," says David Rohweder, Ford's tire and wheel expert. "Properly inflated tires play an essential role in enabling vehicles to achieve their best fuel economy."

The right amount of pressure in the tires also enhances safety. Ford and Lincoln vehicles are equipped with tire pressure monitoring systems (TPMS) that alert the driver when a tire is significantly under-inflated. But that doesn't mean drivers no longer have to check the air pressure regularly.

Rohweder reminds motorists that the TPMS is not a substitute for proper tire maintenance. Even if under-inflation has not reached the level to trigger illumination of the TPMS low pressure warning light, drivers should check the pressure in their tires regularly.

Keeping tires at the recommended pressure can reduce the average amount of fuel used by 3 to 4 percent. Ford recommends customers check tire inflation pressures with an accurate (+/- 0.5 pounds per square inch, or psi) digital tire inflation pressure gauge.

Some handy tips for properly checking tire pressure:

- Check tire pressure when the tires are cold; in other words, before they have been driven on. Do not bleed air pressure from hot tires. Follow the recommendation in your owner's guide for proper bleeding procedures.

- The proper air pressure for the front, rear and spare tires is listed on a sticker on the vehicle, usually on the driver's door jamb. The pressure listed on the tire sidewall is the maximum for the tire and not the recommended inflation pressure.

- Check tire pressure at least once a month and always before trips. Even if the tire pressure warning light is not on, the tires could be under-inflated.

- Always remember to check the air pressure in the spare tire when you check the road tires.

- Ford recommends using digital tire gauges because they tend to be more accurate than the old-fashioned mechanic gauge. Air temperature can have a great effect on anything that's inflated – such as when a child's ball goes flat when left out in the garage in the winter, for example. Temperature can change tire pressure by an average of 1 psi for every change of 10 degrees – colder or warmer.

Driving also affects tire pressure, so when traveling stop and check your tires before you've driven more than three minutes or more than one mile. After that, the tires become hot and the inflation pressure increases.

Always follow the recommendation in the vehicle owner's guide for additional information on the proper procedures for tire maintenance.

Finally, when it doubt, use common sense – that or your AAA towing card.

Stacey Coopes Appointed CEO of Ford Dealer Group

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vice president, U.S. Marketing Sales and Service, and FordDirect board member.

Coope is well-versed in the strategic development of digital properties and has led the implementation of a number of Ford Motor Company-branded sites and properties built by FordDirect.

"The FordDirect team is passionate about helping dealers sell more vehicles," Coopes said. "We will continue to innovate on behalf of Ford dealers and bring them new ways to meet the needs of their customers."

Previously, the CEO duties were split between Leo Hillock, executive vice president, dealer relations and development, and Ted Vincent, chief financial officer.

Hillock will continue managing FordDirect's dealer relations and development department; Vincent will continue as chief financial officer, and Valerie Fuller will continue managing FordDirect's operations.

Prior to joining FordDirect, Coopes was a senior manager in Deloitte Consulting's Automotive Practice, where she specialized in digital strategy and customer relationship management.

In her tenure at Deloitte, Coopes led engagements at General Motors, Chrysler, and

Audi to develop and execute customer-centric strategies within order fulfillment and marketing.

Coope earned a master's degree in business administration from the University of Michigan's Ross School of Business and a bachelor's degree from the University of Michigan's School of Engineering.

FordDirect (forddirect.com/dealercenter) is a joint venture between Ford Motor Company and its franchised dealers to create a comprehensive Web presence for dealers and provide digital marketing services that help dealers sell more cars and trucks.

FordDirect provides dealers new and pre-owned marketing services, call tracking, lead management solutions, dealer Websites, search optimization and marketing, database marketing, marketing services for regional dealer advertising groups and other digital services.

FordDirect is headquartered in Dearborn.

Auto analysts have said that FordDirect, so far, appears to be the leader of the pack at least among the Big Three in comprehensive, benchmark online products and marketing services to support dealers in the car sales arena. Ford says this is a practical use of newer technology.

Chrysler Pays Off '09 Government Loans

by Gerald Scott
Editor
U.S. Auto Scene

Chrysler Group LLC marked a major milestone in its ongoing comeback last week with the repayment of some major outstanding loans.

In a big ceremony at the Sterling Heights Assembly Plant (SHAP), it was announced that the automaker was repaying \$7.6 billion in outstanding U.S. and Canadian government loans following the completion of new refinancing transactions.

The original loans were repaid in full, more than six years ahead of schedule, along with the payment of accrued interest and additional consideration.

On May 24, the company made payments of \$5.9 billion to the U.S. Treasury (UST) and \$1.7 billion to Export Development Canada (EDC) to retire the loans granted when Chrysler Group began operations in June 2009.

EDC is the holding company through which the Canadian federal and Ontario provincial governments extended loans to Chrysler Group.

Automaker Pays \$5.9 Billion to U.S. Treasury, \$1.7 Billion to Canada

That explains the large "PAID" buttons that Chrysler CEO Sergio Marchionne and his staff were wearing at the ceremony.

"Less than two years ago, we made a commitment to repay the U.S. and Canadian taxpayers in full and today we made good on that promise," said Sergio Marchionne, Chief Executive Officer, Chrysler Group LLC.

"The loans gave us a rare second chance to demonstrate what the people of this company can deliver and we owe a debt of gratitude to those whose intervention allowed Chrysler Group to re-establish itself as a strong and viable carmaker.

"Paying back the loans, along with the financial community's investment in our refinancing packages, marks another step in the company returning as a competitive force in the global automotive industry."

Joining Marchionne onstage in Sterling Heights were White House automotive offi-

cial Ron Bloom and UAW Vice President for Chrysler, General Holiefield.

The company borrowed \$5.1 billion from the UST and \$1.6 billion from the Canadian governments in June 2009 (\$2.6 billion from the original loan facilities was undrawn and the facilities will be canceled). In total, Chrysler Group has paid the UST \$6.5 billion and the EDC \$2.0 billion, including \$1.8 billion in interest and additional consideration.

Chrysler Group confirmed the completion of new financing transactions consisting of a term loan totaling \$3.0 billion, debt securities totaling \$3.2 billion and a revolving credit facility of \$1.3 billion. The new financing will save Chrysler Group an estimated \$350 million a year in interest expenses.

Meanwhile, in Washington, D.C., Treasury Secretary Tim Geithner said, "Chrysler's early repayment of its outstanding TARP loans is an important step in the turnaround of

this company and the resurgence of the auto industry."

The company used the net proceeds from the term loan and bonds, together with \$1.3 billion from an equity call option exercised by Fiat for an incremental 16 percent fully diluted ownership interest, to repay the government loans. The revolving credit facility remains undrawn.

Chrysler Group continues to have more than \$10 billion in liquidity after the refinancing and loan payoffs, which includes the undrawn revolving credit facility.

"Everyone in the extended Chrysler Group family, from employees to union partners to dealers and suppliers, have worked tirelessly to deliver on our promises and to win back public trust in the company and our products," said Marchionne.

"There is more work to be done as we remain focused on fulfilling the goals outlined in our 2010-2014 business plan."

Goldman, Sachs Co. advised Chrysler Group on structuring the financings and Evercore Partners advised the company's finance committee.

Truly Intelligent Vehicles Right Around the Corner

DÜSSELDORF, Germany – Ford last week demonstrated its latest advancements in vehicle-to-vehicle communications at the final CoCarX (Cooperative Cars Extended) research project presentation, further highlighting the viability of improving road safety and traffic management through the use of intelligent vehicles.

Ford is the first to showcase vehicle-to-vehicle communication using the new mobile communications network LTE (Long Term Evolution), which enables much faster data transmission than existing proposed systems.

Ford's sophisticated vehicle-to-vehicle communication technology will play a key role in the CoCarX presentation in Düsseldorf – the culmination of a project that began in 2009 with the aim of developing the systems and infrastructure that would allow vehicles to update each other with hazard, driving condition and traffic information.

Leveraging localized radio frequencies and the latest mobile phone network technology, Ford's vehicle-to-vehicle communication system allows individual cars to broadcast messages to other vehicles – keeping them informed and allowing them to prepare for road conditions they are yet to encounter.

Two Ford S-MAX vehicles demonstrated Ford's developmental vehicle-to-vehicle warning system, designed to prevent drivers being taken by surprise by rapidly developing situations and changing conditions. For example, hard braking of the lead S-MAX triggers an emergency signal that is displayed inside the following S-MAX within less than 100 milliseconds.

"The notion of talking cars may immediately bring to

mind thoughts of children's movies, but the reality is that vehicles capable of speaking the same language could result in significant safety and convenience benefits for drivers," says Christian Röss, connectivity technical expert, global driver assistance and active safety.

"Intelligent vehicles, able to send and receive messages in fractions of a second, could help warn drivers of dangers neither they nor their hazard monitoring safety systems could spot, be it because of the distance to the hazard or obstacles that block the view ahead, such as heavy traffic or bends in the road."

Some Ford vehicles are already available with a range of technologies that are designed to detect various inputs from the driving environment and automatically assist the driver, including Lane Departure Warning, Lane Keeping Aid, Active City Stop, Driver Alert, Adaptive Cruise Control and Traffic Sign Recognition.

However, vehicle-to-vehicle communication can give advanced warning of hazards or changing conditions beyond the driver's field of vision or the vehicle's sensors, such as radar, light detection system or camera.

By mutually sharing information on vehicle position, speed, direction of travel and even telemetry from technologies such as the Electronic Stability Programme or the Traction Control System, connected vehicles can be warned if they are on a collision course with another vehicle, if stationary traffic is present around a corner or en route, and even if there is a risk of collision when changing lanes.

Ford engineers are currently researching and developing



Two S-MAX vehicles demonstrated Ford's developmental vehicle-to-vehicle warning system – for example, hard braking of the lead S-MAX triggers an emergency signal that is displayed inside.

future applications that will offer more than visual warnings to drivers – priming safety systems and taking accident avoidance measures in response to warnings from other intelligent vehicles.

Ford believes the ability to utilise broadband communication channels such as LTE will allow large numbers of vehicles to stay in immediate contact with each other in the future, potentially reducing the frequency of accidents, aiding traffic flow and easing road congestion – in turn reducing CO2 emissions.

Ford's intelligent S-MAX ve-

hicles also demonstrated two other capabilities made possible by the integrated LTE module at today's CoCarX presentation.

Passengers can download a video for rear seat entertainment while the driver is kept informed with real-time traffic messages.

These additional capabilities work in parallel with hazard warnings, demonstrating both the capacity and quality of the functions developed by Ford as part of the CoCarX solution.

Truly smart cars are just around the corner, it seems.

'Heartbeat of America' Is Now in a Ford Car Seat

AACHEN, Germany – Ford engineers have developed a car seat that can monitor a driver's heartbeat, opening the door to a wealth of health, convenience and even life-saving potential.

A joint project undertaken by experts from Ford's European Research and Innovation Centre in Aachen, Germany and Rheinisch-Westfälische Technische Hochschule (RWTH) Aachen University, the seat uses six special embedded sensors to detect electrical impulses generated by the heart.

"Although currently still a research project, the heart rate monitor technology developed by Ford and RWTH Aachen University could prove to be a hugely important breakthrough for Ford drivers, and not just in terms of the ability to monitor the hearts of those known to be at risk," said Dr. Achim Lindner, Ford European Research and Innovation Centre medical officer.

"As always in medicine, the earlier a condition is detected the easier it is to treat and this technology even has the

potential to be instrumental in diagnosing conditions drivers were previously unaware they had."

Data collected by the sensors, for example, could be analyzed by medical experts or onboard computer software. Possibilities therefore abound, notes Lindner, from linking to remote medical services and Ford vehicle safety systems to even providing real-time health information and alerts of imminent cardiovascular issues such as a heart attack.

At the heart of the research The heart rate monitor seat is the latest addition in the Ford research portfolio of possible in-car health and wellness solutions aimed at helping people with chronic illnesses or medical disorders manage their condition while on the go.

This month, Ford also announced research into how it is leveraging Ford SYNC® and its ability to connect devices via Bluetooth, access cloud-based Internet services and control smartphone apps to develop industry-first voice-

controlled in-car connections to an array of health aids from glucose monitoring devices, diabetes management services, asthma management tools and Web-based allergen alert solutions.

The seat sensor technology under development could initially be of most benefit to drivers known to have heart conditions – primarily those in more mature age groups, a globally growing population.

According to the U.S. Census Bureau, the number of Americans 65 and older is projected to more than double by 2050, reaching some 88.5 million. Predictions in Europe suggest a growing trend as well, with the over-65 population reaching nearly 23 percent by 2025 and 30 percent by 2050.

"With increasing life expectancy meaning higher numbers of people and therefore drivers at risk of heart diseases, the ability to monitor hearts at the wheel could offer massive benefits in terms of health and road safety, both for the user and the wider public," said RWTH

Aachen University Professor Steffen Leonhardt, who originally proposed taking the university's work with contactless infant heart monitoring to Ford.

"The car is an obvious choice; it's a place where occupants spend long periods sitting in a rather calm position and a place that's increasingly less physically demanding, making it the ideal environment to measure heart activity."

Working with RWTH Aachen University, Ford developed the six-sensor system positioned on the surface of the seat backrest. The unobtrusive electrodes have been specially designed to be able to detect the electronic signature of the heart through clothing.

"The sensors use a very specially designed system and carefully researched materials to be able to give a good signal without contact on the skin," Lindner said.

In stationary testing, 90 to 95 percent of subjects proved to be compatible with on-road testing of the Ford seat.