

Chrysler Trenton Complex Getting New Lease on Life

AUBURN HILLS – Chrysler Group LLC last week announced that it would invest \$114 million in new equipment at its Trenton Engine Complex to support increased production of the Pentastar engine. The investment is estimated to create 268 new jobs.

The investment will be used to repurpose about one-fifth, or nearly 400,000 square feet, of the Trenton North Engine Plant.

Trenton North ceased operations in May 2011 so it could produce core components for the Pentastar engine produced at its sister plant, Trenton South.

Trenton South launched the new Pentastar engine in March 2010, which is now available in 10 Chrysler Group vehicles: Jeep Grand Cherokee, Dodge Avenger, Dodge Grand Caravan, Dodge Journey, Dodge Charger, Dodge Challenger, Dodge Durango, Chrysler 200, Chrysler 200 Convertible and Chrysler Town & Country.

The Pentastar engine was recently recognized by *Ward's Automotive* as one of the "Ten Best" for 2010.

"As Chrysler Group moves to replace seven V6 engines with the new Pentastar V6, it

has become necessary to add capacity on core components in order to meet the production demands of this new engine," said Brian Harlow, vice president and head of Powertrain Manufacturing.

"This investment has also given Trenton North, which has been building engines for nearly 60 years, a new lease on life."

"We want to thank the City of Trenton for approving our tax abatement request and their continued support."

Trenton Mayor Gerald Brown said, "On Monday, June 13, the Trenton City Council and I approved Chrysler Group LLC's Industrial Facilities Exemption for a \$114 million manufacturing project in its North Plant."

"My administration worked very hard to come to an agreement that will provide the city with long-term stability at the site, additional jobs and tax base improvements while further enhancing the relationship that Trenton and Chrysler have enjoyed since the 1950s. Trenton truly is Chrysler Town and we are proud of it."

Since June 2009, Chrysler Group has invested nearly \$3.2 billion in its U.S. facilities and has made significant

progress toward building a successful enterprise, including:

- Reporting a net profit of \$116 million in the first quarter of 2011
- Reporting the 14th consecutive month of year-over-year sales gains in May
- Investing nearly \$1.3 billion into the company's existing transmission manufacturing facilities in Kokomo, Ind., to accommodate production of a new advanced front-wheel-drive automatic transmission
- Increasing capacity and supporting production of the World Engine and improving processes for the 62TE transmission program
- Accommodating future production of a new highly fuel-efficient eight-speed automatic transmission
- Announcing a \$600 million investment in its Belvidere, Ill., Assembly Plant
- Confirming an investment of \$850 million in its Sterling Heights Assembly Plant and surrounding stamping facilities
- Planning an investment of \$150 million in its Global Engine Manufacturing Alliance (GEMA) facility in Dundee, Mich.
- Announcing an invest-

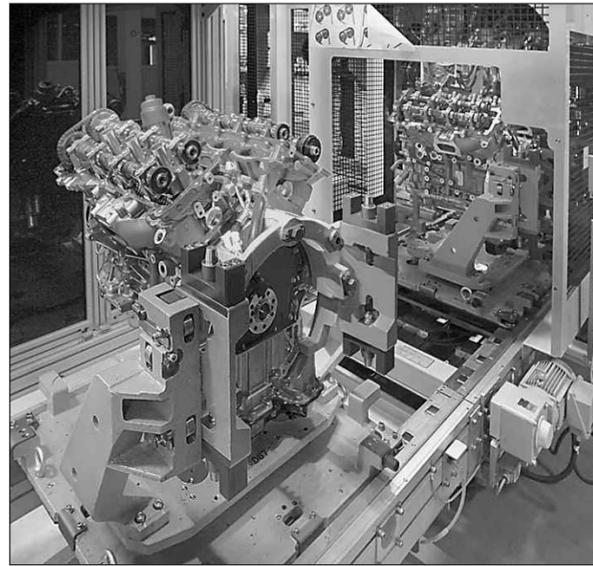
ment of \$27.2 million in its Etobicoke Casting Plant (Toronto) to produce front and rear crossmembers for future Chrysler vehicles starting in the third quarter 2011

• Announcing in December 2009 that it will invest \$179 million to launch production of the 1.4-liter, 16-valve Fully Integrated Robotized Engine (FIRE) at the company's GEMA plant, creating more than 150 new Chrysler jobs

• Adding a second shift of production – or nearly 1,100 jobs – at its Jefferson North Assembly Plant

• Announcing that it would add nearly 900 jobs on a second shift at its Sterling Heights Assembly Plant in the first quarter of 2011

• Launching the all-new 2011 Jeep Grand Cherokee in May 2010.



Chrysler Group LLC's new Pentastar V6 engine goes through the rocker arm location verification station. The all-new Trenton South Engine Plant, where the engine is made, celebrated the start of production of its all-new engine on March 19, 2010. The new engine will replace seven current Chrysler Group V6 engines.

EV Carmaker Tesla's Common Stock Sale Expected to Generate \$214M

By TOM KRISHER and MAE ANDERSON AP Business Writers

DETROIT (AP) – Upstart California EV automaker Tesla is on the move again.

That's because, in part, Tesla Motors Inc. will sell common stock again, this time with hopes of raising \$214 million to expand its limited model lineup.

The company plans to sell 5.3 million shares to the public and up to 795,000 more to the underwriter, at about \$26 each, according to a regulatory filing last week. The sale follows its initial public offering from a year ago, when its stock was offered at \$17.

In addition, CEO and co-founder Elon Musk will buy 1.5 million shares at \$26 each in a private sale. Blackstar Investco LLC, an affiliate of Daimler AG, will buy 644,475 shares directly from Tesla at the same price.

Executives typically buy shares in their own company to show faith in its future.

Shares of the Palo Alto, California-based rose 8.5 percent to close at \$28.98.

Proceeds from the sale are needed to develop the Model X, an SUV-like vehicle that will broaden the company's appeal among consumers. Tesla gave no details and didn't offer pictures of the vehicle, which would boost Tesla's sales with an entry into a fast-growing segment of the U.S. market.

Andrea James, an applied technologies analyst with Minneapolis-based Dougherty

and Co, said Tesla is building itself into a good, solid company. "That would be another brick in the foundation."

Tesla currently sells just one vehicle, the \$109,000 Roadster, an electric sports car popular with celebrities and performance-car enthusiasts. It will offer a \$50,000 four-door luxury sedan called the Model S next year.

Tesla also makes technology, such as battery packs and chargers, for Daimler and Toyota. It is developing the power system for an electric version of the Toyota RAV-4, a popular small crossover vehicle.

No date was set for the new stock sale. The offering price will likely be changed to match market demand.

The company has posted losses since the IPO as it invests heavily in research and development. It lost \$48.9 million in the first quarter largely because of ballooning costs.

But some analysts believe Tesla could eventually become much bigger as demand for electric vehicles expands.

U.S. sales of electric cars will reach 11,000 this year, rise to 36,000 in 2012 and grow to around 96,000 in 2015, predicts research firm J.D. Power and Associates. That's still less than 1 percent of total U.S. vehicle sales.

Tesla won't turn a profit until 2013, said Dougherty's James. But the company isn't desperate for cash, she said, in part because of a \$465 million loan from the U.S. Department of Energy to develop alternative fuel vehicles.

Tesla, she said, only has to capture 1 percent of the U.S. luxury car market, or about 20,000 vehicles a year, to make money. "It's not like they have to be the next Ford to be successful. They just need to be their own niche brand with growing appeal."

Tesla has delivered about 1,650 of its Roadster sports cars as of the beginning of the month and received more than 4,600 reservations for its upcoming Model S sedan.

The company plans to show a prototype of the Model X crossover by the end of 2011 and start selling it in late 2013.

So far this year, the two automakers offering more mainstream electric vehicles have not seen huge sales. Nissan has sold about 1,000 of its Leaf all-electric model in the U.S., while General Motors has sold just over 1,700 Chevrolet Volt electric cars.

Tesla's CEO, Elon Musk, has a history of successful startups, including PayPal and the rocket builder Space Exploration Technologies.

Toyota Motor Corp. last year agreed to sell Tesla a shuttered plant in Fremont, California, and invest \$50 million in the company. Tesla plans to use the plant to build the Model S.

Tesla shares closed at \$23.89 on its June IPO date, hit a low of \$14.98 on July 7 and have risen since then.

When it held its IPO in June 2010, Tesla was the first mainstream U.S. automaker to go public since Ford Motor Co. back in 1956.

Hot Rod Power Tour Brings Over 1,200 Cars from Florida to Detroit Area Stops

by Gerald Scott Editor U.S. Auto Scene

The results are in and the 2011 *Hot Rod Magazine* Power Tour was a big, big hit for the metro Detroit area.

The traveling tour stopped at Metro Beach in Harrison Twp., Warren city hall and the GM Proving Ground in Milford, among other stops, the weekend of June 10-12 and the proverbial good time was had by all.

It was GM Performance Division that presented the 17th annual *Hot Rod Magazine* Power Tour, with Metro Beach Metropark actually serving as the official end point on the recent Florida-to-Michigan run.

Chris Baum, senior vice president of sales and marketing for the Detroit Metro Convention & Visitors Bureau (DMCVB), helped organize the tour and he actually participated in the cruise as well.

"I flew down to Nashville and joined up with Jason Watson in a 650 h.p. Hearst-Watson limited edition car – it was a nice ride, we drove that up and did the stops in Indianapolis and Muskegon and then arrived in Detroit on Friday (June 10), Baum said.

"It was a little rainy on Friday, but it was a hard-core group that did not deter the crowds. The entire parking lot at Metro Beach was full between the participants, the local attendees and the spectators, so a really, really big turnout."

Hot Rod Magazine said that 1,200 cars did the long haul, all the way from Cocoa Beach, Fla., to Detroit. An early highlight was that the tour was able to pass through nearby Kennedy Space Center, a closely guarded military base largely run by the Air Force these days.

All, 1,200 cars were able to pass through the base and get a picture taken in front of either the Vehicle Assembly Plant or the launch pad with space shuttle Endeavor being prepped in the background.

"We probably had another 1,000 cars, people from Detroit and Michigan, who came to the Metro Beach event – high performance cars and not spectator cars," Baum said.

"So it was a very good turnout, we had a 2.5-hour window with no rain and people were able to get out and see something that was unique to the Detroit stop – we had a display of 'Golden Age of Drag Racing Cars,' the biggest hit was the Dick Carroll 1968 funny car (Camaro) we had at the press event.

"That car was there, they ran it on 95-percent nitro four times during the afternoon and it drew a gigantic crowd every time it lit up. In a sea of loud, high-performance cars, that was the king of the heap, it was 1,500 h.p. on nitro, so



A classic Corvette outlined against the Vehicle Assembly Building at the Kennedy Space Center in Florida. The *Hot Rod Power Tour*, started at Cocoa Beach and passed through KSC on its way to Metro Beach and Warren earlier this month.

everyone wanted to see that one run."

Meanwhile, DMCVB is categorizing the *Hot Rod Power Tour* under its recent "Autopalooza" marketing umbrella, which seeks to put all of Detroit's traditional summer car activities such as EyesOn Design, Woodward Dream Cruise and the like, all under one marketing banner.

"People are very excited about the cruise (*Hot Rod* tour) starting in Detroit next year and we're planning a lot of events ahead of time so that people come to Detroit a day or two early," Baum said.

"We did have a two-for-one offer this year at our automotive museums and attractions – at least two of them said they had quite a few people come by to take advantage of that offer.

"We got more than our money's worth, the hotels were full and we're very, very happy with all the supplemental business (the tour generated in Southeast Michigan)."

The Detroit Convention Bureau said that cooperation between support entities is key to expanding the impact of the *Power Tour* and this year for the first time the cruisers also made their way to the GM Proving Ground in Milford – a difficult facility to access if only because it's so busy on a daily basis with GM's own ongoing automotive testing operations.

Said Baum, "They went to the GM Proving Ground and that was a wild success – the tweets and blogs on that were incredible: they said it was the coolest 'long-hauler' ceremony ever on the *Hot Rod Power Tour*.

"Getting on the private test track at GM for a lot of these guys was a dream come true. That was only open to the 1,200 cars that made the 'long haul' (from Cocoa Beach to Metro Beach), but that was 2,000 people and they took an aerial photograph of all of them on Black Lake there."

Baum added, "I slept till

noon the next day. Tiring, but very fun event.

"The blogs, the posts were through the roof. True car guys think they're coming to 'Jerusalem' when they come to Detroit."

A big amen to that.

'12 Buick Regal Boasts Performance, Fuel Economy

DETROIT – The 2012 Buick Regal GS, which arrives at dealerships this fall, has been SAE-certified to deliver 270 horsepower and 295 lb.-ft. of torque for an estimated 0-60 mph performance of 6.7 seconds.

Regal GS's exclusive Ecotec 2.0L direct-injected turbocharged four-cylinder engine delivers more torque than Acura TSX V6, Audi A4 Sport, Lexus IS 250 and Volvo S60 T5.

GM, of course, has long seen its more premium products benchmarked against the leading Japanese and German carmakers, so the Detroit automaker is obviously pleased that its entire Buick lineup continues to make inroads in both sales and improved public perception of the brand.

"The Regal GS 2.0L turbo delivers the highest specific output of any production engine GM has ever offered, and at 135 hp per liter is the most power-dense engine ever certified by SAE," said Mike Anderson, Ecotec global chief engineer and program manager.

"We've been combining direct injection and variable valve timing with boosted engines since 2006, and there's no question the Regal GS turbo has the responsiveness and acceleration of some V6s, while delivering the fuel economy you'd expect of a four-cylinder."

Ecotec 2.0L turbo highlights include direct injection, continuously variable valve timing, forged steel crankshaft, twin scroll design turbocharger and an efficient intercooler system. The peak

torque of 295 lb.-ft. is achieved at a relatively low 2400 rpm. There is 95 percent of peak torque available between 2300 and 4900 rpm.

The GS's engine is mated to a standard six-speed manual transmission, and gets an estimated fuel economy of 28 mpg on the highway. A six-speed automatic transmission will be available later. The entire GS powertrain is covered by a five-year, 100,000-mile warranty.

Further reinforcing Regal GS's performance appeal is its Interactive Drive Control System chassis technology, which delivers enhanced vehicle stability.

The driver selects among three operating modes that change the suspension settings, and steering sensitivity through the variable-effort steering system.

"GS" mode optimizes the car for dynamic driving, tightening the suspension and steering response. "Standard," or the default mode, is the setting for all-around use. "Sport" mode provides a level of performance between standard and GS modes.

Regal GS also features a four-wheel-independent suspension, with a unique High Performance Strut (HiPerStrut) front suspension design.

The HiPerStrut system helps reduce torque steer and maintain negative camber during cornering to keep the all-important tire contact patch on the pavement. The driver experiences improved grip and increased cornering power, along with crisper handling, steering precision and



2011 Buick Regal GS.

feedback.

The four-link independent rear suspension is designed to minimize unwanted toe and camber effects during spirited driving maneuvers, enhancing vehicle stability and tire grip.

Both front and rear dampers incorporate active Computer Damping Control, continuously changing damper characteristics in real time to maintain optimal vehicle ride comfort over varying road surfaces and profiles. More aggressive, performance-oriented damping characteristics can also be selected by the driver when choosing "Sport" or "GS" mode.

Braking power comes from a large-diameter four-wheel disc brake system featuring big, four-piston Brembo front calipers for optimal feel and modulation.

A standard, four-channel anti-lock brake system is tuned to reduce stopping distances over varied road surfaces and conditions.

The Regal GS also features standard StabiliTrak electronic stability control with inte-

grated, full-speed traction control.

The GS cuts a sportier stance, too, with a lower ride height than other Regal models and aggressive 19-inch, 5-Twin Spoke alloy wheels and all-season tires (20-inch, 5-Twin Spoke polished alloy wheels with performance tires are optional).

"The 2012 Regal GS is well balanced with dynamic ride and handling, powerful brakes, great acceleration and excellent fuel economy," said Robert Casparian, Regal product marketing manager.

"And the fact that one can get such great performance in a gorgeous sport sedan makes it even more attractive."

All in all, the different trim levels actually give Buick a chance to market to different sub-segments of the Buick buyer population through unique offerings such as the Regal GS turbo. As GM put Pontiac, Hummer, Saab and Saturn into the history books, it can now concentrate better on mainstreaming Buick cars.