

# Oakland Tech News™

AUBURN HILLS AND ENVIRONS

VOL. 31 NO. 22

News of the Automotive, Technology and Supplier Community

JUNE 10, 2013

## Chrysler Refuses NHTSA's Request for 2.7M Jeep Recall

by Irena Granaas

Chrysler made headlines last week by defying the National Highway Traffic Safety Administration (NHTSA) request for a recall of two of the company's most popular Jeeps.

NHTSA asserts the vehicles have a design defect in the placement of their gas tanks, making them prone to catch fire when the vehicles are subjected to rear-end collisions, sometimes resulting in fatalities.

Chrysler issued a formal statement last week in which the au-

tomaker laid out its reasons for declining the request by NHTSA to issue a recall of the Jeep Grand Cherokee, model years 1993-2004, and the Jeep Liberty, model years 2002-2007.

According to Chrysler, the recall would involve about 2.7 million vehicles.

"Chrysler Group has been working and sharing data with the agency on this issue since Sept. 2010," Chrysler said in its June 4 statement.

"The company does not agree with NHTSA's conclusions and does not intend to recall the ve-

hicles cited in the investigation."

Chrysler said the subject vehicles "are safe and are not defective... We believe NHTSA's initial conclusions are based on an incomplete analysis of the underlying data, and we are committed to continue working with the agency to resolve the disagreement."

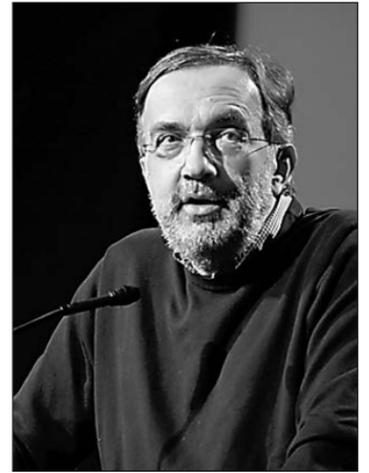
Chrysler Chairman and CEO Sergio Marchionne emphasized that driver and passenger safety "has long been the first priority for Chrysler brands," a commitment that continues, but added that the company stands behind

the quality of its vehicles.

In the June 4 statement, the automaker further said the vehicles in question "met and exceeded all applicable requirements" of the Federal Motor Vehicle Safety Standards.

According to Chrysler's own analysis, the incidents cited by NHTSA occur less than once for every million miles of vehicle operation, a rate "similar to comparable vehicles produced and sold during the time in question."

In a White Paper that Chrysler



Sergio Marchionne

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2013 Cadillac ATS

## 'Cadillac is Back,' Says GM Vice President Bob Ferguson

Cadillac's year-to-date sales increase of 38 percent will be the brand's largest yearly increase since 1976, making the 110-year-old brand the fastest-growing major automotive brand in the U.S., according to Cadillac officials.

The brand's news for May 2013 was more of the same, with sales up 40 percent compared with May of 2012.

Cadillac's May increase of 40 percent marks its 12th consecutive month of sales growth.

"Cadillac is back," said Bob Ferguson, vice president, Global Cadillac. "Our growth is product-driven, new luxury vehicles with dramatic design and performance drawing new customers to showrooms."

Total Cadillac sales for May 2013 was 13,808. That compares with 9,871 total sales in May of 2012. Total year-over-year sales for Cadillac are up 36.6 percent.

Cadillac brand spokesman David Caldwell added that the circumstances of 2013 are radically different from 1976.

"In 1976, the luxury market had far fewer brands," Caldwell said. "There was Cadillac and Lincoln. BMW was probably better known for its motorcycles. Mercedes was a good brand, but its presence in the U.S. was much smaller. Lexus, Infiniti and Acura didn't even exist."

So, Caldwell said, seeing such an increase in today's luxury marketplace, which is filled with tough competitors from around the world, is especially satisfying.

"It's so much more impressive to see this growth in the face of such tough competition," Cald-

well said. "The United States market is the most competitive luxury market in the world today. This sales increase goes to the point of why we're seeing this increase. It's product-driven."

Caldwell said that GM's sales information show that fully 66 percent of the buyers who recently purchased a Cadillac traded in different makes. That means two-thirds of the buyers weren't Cadillac owners.

"We have other good news as well," Caldwell said. "About 20 percent of ATS buyers are under the age of 35. The ATS starting price begins at about \$34,000, so that's good news especially when you consider that historically under-35 buyers accounted for about 10 percent of Cadillac sales."

Caldwell said Cadillac's ATS is seeing growth among new buyers. The ATS sport sedan is the 2013 North American Car of the Year and Esquire Car of the Year. Roughly 70 percent of ATS buyers are choosing their first Cadillac.

The XTS luxury sedan, introduced in the summer of 2012, had its best retail sales in May. Cadillac's total sedan portfolio is up 122 percent so far in 2013.

Total ATS sales for May of 2013 were 3,249, up from April's 2,725. January sales were 2,781.

Caldwell said that some of the 66 percent of Cadillac buyers who traded in a different brand were trading in other GM brands, but that's all right.

"We're certainly happy to have people stay within the GM family," Caldwell said. "But we're also happy to see people who drove non-GM cars buy Cadillac."

## FEV Honors Industry's Young Leaders

The SAE Foundation's Stefan Pischinger Young Industry Leadership Award, sponsored by FEV, was recently presented to Adam Timmons, Ph.D., Chrysler, and Kaustav Sinha, Ph.D, Dow Chemical Co. at the General Motors Technical Center in Warren.

FEV Group is a global powertrain and vehicle engineering company headquartered in Germany that has its North American Technical Center in Auburn Hills. The award, named for Prof. Stefan Pischinger, president and CEO of the FEV Group, is presented annually at the SAE Foundation banquet in recognition of young men and women, ages 35 and under, who have achieved major accomplishments and show significant potential for leadership growth.

"As corporations, our very existence depends on an influx of highly educated engineers," said FEV Inc. president and CEO Gary Rogers, who made the award announcement. "We need to start by recognizing the success stories that we have and understanding what is going right. That's the model that we must clone at every educational level and in the industry. We are extremely proud that the SAE Foun-



From left, FEV Inc. President/CEO Gary Rogers, Chrysler's Dr. Adam Timmons and Cadillac Vehicle Chief Engineer Mark Johnson.

dation recognizes Dr. Timmons and Dr. Sinha as the type of individuals that will sustain this industry for many years."

Sinha is a materials specialist at Dow Chemical Company and a major contributor to the advancement of specialty fluids and industry-leading research, which has generated collaborative programs with government and premier research institutions in the U.S. and abroad.

The recipient of numerous awards, Sinha has been published in leading journals and patents have been applied for in

his name. He serves as a reviewer of several technical journals and also sits on numerous industry technical and business committees. Sinha is an expert in development of smart nanoscale materials.

Timmons' automotive career was inspired by one of his 10th grade teachers, leading to his accomplishments in the industry. He has achieved distinction first at GM, and now with Chrysler, where he leads the company's Electrified Powertrain battery cell qualification, selection, validation and integration programs.

## Big 3 Sales Continue to Set Records

### Every GM Brand Chips in to Raise May Sales Marks

The sales story at GM is large. That's because sales of large pickups and large SUVs – along with Cadillacs – helped GM to another total company sales increase.

GM sold 252,894 vehicles in the United States in May, up 3 percent compared with a year ago. Retail sales increased 9 percent, fleet sales were down 10 percent and the fleet mix was 26 percent of total sales.

"Cadillac is growing faster than it has in almost 40 years, the pickup rebound is in full swing and we're seeing strong retail demand for our crossovers," said Kurt McNeil, vice president of U.S. Sales Operations.

"These are all powerful signs that the gradual recovery in the economy is becoming more broad-based.

"That's great news for the auto

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### Ford's May Retail Sales Are Best In Eight Years

Led by Fusion, Escape and F-Series trucks, Ford Motor Company's U.S. sales grew 14 percent in May 2013, with cars up 9 percent, utilities 15 percent and trucks 18 percent.

Retail sales increased 17 percent, marking the best May retail sales results since 2005.

"Our fuel-efficient Fusion and Escape have set monthly sales records for four straight months," said Ken Czubay, Ford vice president, U.S. Marketing, Sales and Service. "F-Series sales – fueled by construction growth and pent-up demand – reached their highest level in more than six years."

Fusion posted its best-ever May sales of 29,553 vehicles – with its strongest areas of sales growth in the Western and Southeastern areas of the U.S.

The fuel-efficient Escape small

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### Chrysler Extends Streak of Monthly Sales Gains to 38

Buoyed by robust sales gains for its Ram Truck and Jeep brands, Chrysler posted a May sales increase of 11 percent, compared with May 2012.

Chrysler spokesman Ralph Kisiel confirmed that Chrysler enjoyed its best May sales since 2007, and last month's stellar sales performance extended the Auburn Hills-based automaker's streak of year-over-year sales gains to 38 consecutive months.

Eight Chrysler vehicles set sales records in May. Kisiel said sales for the Ram Truck brand surged 24 percent year-over-year in May, closely followed by demand for Dodge brand vehicles, with sales up 23 percent year-over-year.

Kisiel cited the company's improved technology – resulting in better fuel economy – and its product quality gains.

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