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Future of Auto Industry Reflected at 2019 NAIAS New XT6 Part of Cadillac's Ford, Volkswagen Formally FCA Trucks Agree to Work Together Plan to Remake the Brand Get Heavy

Well, the rumors that have the past several months are true.

Volkswagen AG and Ford Motor Company have entered into the first formal agreements in a broad alliance that positions the companies to boost competitiveness and better serve customers in an era of rapid change in the industry, said Ford spokeswoman Jennifer Flake.

Volkswagen CEO Dr. Herbert been circulating in the media for Diess and Ford CEO Jim Hackett on Jan. 15 confirmed that the companies intend to develop commercial vans and mediumsized pickups for global markets beginning as early as 2022.

The alliance will drive significant scale and efficiencies and enable both companies to share

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Cadillac made another move toward the brand's goal of becoming the pinnacle of mobility, said Cadillac President Steve Carlisle, with the introduction of the new 2020 XT6 SUV.

Carlisle showed off the new vehicle at the Garden Theater in Detroit on Jan. 13. The SUV is currently in production in Spring Hill, Tenn., and will available for ordering later this spring.

"We want the Cadillac brand to become the pinnacle of mobility," Carlisle said. "So we need to grow in the dynamic global marketplace. And by returning our headquarters to Warren, our designers and our marketing can work side by side. Last year, we sold more than 380,000 Cadillacs in the global market. The reward

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Hackett, left, and Diess talk about the new Ford-VW venture.



Carlisle introduces the new 2020 XT6 SUV, being built in Tennessee.

When it comes to heavy-duty pickup trucks, power matters and the 2019 Ram Heavy Duty introduced at the 2019 North American International Auto Show(NAIAS) comes through.

Reid Bigland, head of the Ram brand for FCA, said he was pleased to introduce the new Heavy Duty at NAIAS because it's where Detroit automakers go big.

"I can't think of anything bigger than the Ram Heavy Duty 2500," Bigland said. "And Ram has really grown as a brand. It was created in 2009 and sales have gone from about 230,000 then to more than 700,000 now. The Ram 1500 accounts fro 22.5 percent of the full-size pickup market. The new Ram Heavy Duty is proof that FCA and Ram refuse to rest on their laurels. This is the most powerful heavy duty ever."

That's important because it's Ram's job to make the customer's life easier, Bigland said. The Heavy Duty's towing package is something that customers

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Trade War Delays **Ram 1500 Earns NACTOY's Top Truck Award**

China Firm's **U.S. Entry Plans** by JEFF KAROUB and TOM

KRISHER Associated Press

DETROIT (AP) - The U.S.-China trade war has delayed but not derailed Chinese automaker GAC Motor's plans to enter the American market, company officials said Jan. 14.

Company President Yu Jun, speaking at Detroit's North American International Auto Show, said the dispute is a factor in moving its U.S. product launch from the end of this year - as it announced at last year's show to June 2020. Still, analysts think they might have a longer road to the market.

President Donald Trump imposed tariff increases of up to 25 percent on \$250 billion of Chinese imports over complaints Beijing steals or pressures companies to hand over technology. President Xi Jinping responded by imposing penalties on \$110 billion of American goods. Washington wants Beijing to change its plans to use government support to make Chinese companies world leaders in robotics and advanced technologies. Chinese officials have suggested Beijing might alter its industrial plans but reject pressure to abandon what they consider a path to prosperity and global influence.

It's good to be the belle of the EV that truly works for the mass ball.

The new 2019 Ram 1500 has been named 2019 North American Truck of the Year (NACTOY) by a panel of automotive experts. The award is unique and considered by many to be one of the world's most prestigious, said Reid Bigland, head of Ram Brand, based on its diverse mix of 60 automotive journalists from the U.S. and Canada who serve as the voting jurors.

The winners were announced at a news conference Jan. 15 at the North American International Auto Show in Detroit. The NAC-TOY Car of the Year was the Genesis G70. Judges liked the car made by Hyundai subsidiary for its ability to go toe-to-toe with cars like the BMW 3 Series as well as for its driver engagement market. It is affordable and drivable, they said.

The Ram 1500 beat out finalists GMC Sierra and Chevy Silverado.

"The Ram 1500 is an important product for FCA and winning this award is one of the highest honors," said Bigland. "In what is arguably the most competitive segment in the automotive industry, for the all-new 2019 Ram 1500 to be named North American Truck of the Year is tremendous recognition of the FCA employees who design, engineer and build a pickup that truly stands out.'

Jurors cited Ram's eTorque mild-hybrid technology, luxurious interiors and 12-inch Uconnect touchscreen among their top reasons for selecting the Ram 1500 over competing vehicles, said FCA spokesman Nick Cappa.



The 2019 Ram 1500 was named NACTOY's Truck of the Year at NAIAS.

introduced the 2019 Ram 1500 to the public last year, we've won Motor Trend's Truck of the Year

These awards from neutral third parties matter, Cappa said. "There is no more competitive

A Dec. 1 agreement postponed further tariff increases. Economists say the 90-day postponement of additional tariff increases that had been meant to take effect Jan. 1 may be too short to

and value for the dollar.

The NACTOY Utility of the Year is the Hyundai Kona/Kona EV. Judges chose it because they believe it's the first mass-market

"When we set out to build the 2019 Ram 1500, we wanted to set the benchmark for luxury and performance for this truck category," Cappa said. "Since we've

Texas Automotive Writers' Asso- market than full-size pickup ciation and now NACTOY Truck trucks," Cappa said. "All the Deof the Year. That's a triple crown for the 1500."

Award, Truck of Texas from the segment in today's automotive

CONTINUED ON PAGE 3



CONTINUED ON PAGE 2 Owens said the new Shelby Mustang GT500 will have more that 700 hp.

Latest Shelby Mustang Has **Power and Performance**

by Jim Stickford

Ford's North American International Auto Show (NAIAS) presentation on Jan. 14 talked about the company's future while still remembering the company's storied past.

Among the vehicles introduced to the public was the new 2020 Explorer hybrid and the new 2020 Shelby GT500 - a muscle car that is built on Mustang legacy

Ford executive chairman Bill Ford said, "Ford has always been about changing lives for the better.

He pointed out that predicting the future is difficult.

"Twenty years ago, they were saying Ford wouldn't be manufacturing in America," Ford said. "Ten years ago, they were saying that Ford might not even make it as a company. But no one knows

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Ford, Volkswagen Formally Announce New Joint Venture

Detroit Auto Scene ®

31201 Chicago Road South Warren, Michigan 48093

586-939-6800

Contact us: Info@DetroitAutoScene.com

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Oakland County Selling Radon Detection Kits

The Oakland County Health Division is encouraging residents to purchase radon test kits for only \$5 this month to test their homes for the potentially harmful gas. Because January is National Radon Action Month, the Health Division recommends testing homes for radon during the cooler months as windows and doors remain closed.

"Exposure to radon is the leading cause of lung cancer in nonsmokers and the second leading cause of lung cancer overall," said Leigh-Anne Stafford, Oak-County health officer. land "Since you cannot see or smell radon, testing your home is the only way to know if you and your family are at risk from radon exposure.'

Radon test kits are available for purchase at Health Division offices in Pontiac and Southfield. Addresses are North Oakland Health Center, 1200 N. Telegraph, Building 34E, Pontiac, and South Oakland Health Center, 27725 Greenfield Road, Southfield.

CONTINUED FROM PAGE 1 investments in vehicle architectures that deliver distinct capa-

bilities and technologies, said Flake. The companies estimate the commercial van and pickup co-

operation will yield improved annual pre-tax operating results, starting in 2023. In addition, Volkswagen and

Ford have signed a memorandum of understanding to investigate collaboration on autonomous vehicles, mobility services and electric vehicles and have started to explore opportunities, Flake said.

"This has been in the works for some time," said Pietro Zollino, chief of Communications for VW North America. "But that's natural because such an alliance requires lots of talks to work to the benefit of both parties."

Zollino said that this agreement leaves room for both parties to explore further opportunities together.

"This is very complicated," Zollino said. "It's sophisticated stuff that needs thorough preparations by two large companies. We are starting with commercial vehicles because it is the most obvious place to begin, the most cost-effective with the best economies of scale.³

The auto industry is changing rapidly, Zollino said. And both Ford and VW are big companies, but by working together through an agreement that benefits both sides, each company is able to move forward saving money.

"This is a good place to start," Zollino said.

Both companies also said they were open to considering additional vehicle programs in the future. The teams will continue working through details in the coming months.

'Over time, this alliance will help both companies create value and meet the needs of our customers and society," Hackett said. "It will not only drive significant efficiencies and help both companies improve their fitness, but also gives us the opportunity to collaborate on shaping the next era of mobility."

"Volkswagen and Ford will harness our collective resources, innovation capabilities and complementary market positions to even better serve millions of customers around the world," Diess said. "At the same time. the alliance will be a cornerstone for our drive to improve competitiveness.

The alliance, which does not entail cross-ownership between the two companies, will be governed by a joint committee, Hackett said.

This committee will be led by Hackett and Diess and will include senior executives from both companies, according to the joint press release issued by VW and Ford.

Ford and Volkswagen both have strong commercial van and pickup businesses around the globe, with popular nameplates such as the Ford Transit family and Ranger as well as the Volkswagen Transporter, Caddy and Amarok, Flake said.

The companies' collective light commercial vehicle volumes from 2018 totaled approximately 1.2 million units globally, which could represent the industry's highest-volume collaboration as production scales.

Demand for both medium pickups and commercial vans is expected to grow globally in the next five years. The alliance will enable the companies to share development costs, leverage their respective manufacturing capacity, boost the capability and competitiveness of their vehicles and deliver cost efficiencies, while maintaining distinct brand characteristics, Flake said.

The press release stated that through the alliance, Ford will engineer and build medium-sized pickups for both companies which are expected to go to market as early as 2022.

For both parties, Ford intends to engineer and build larger commercial vans for European customers, and Volkswagen intends to develop and build a city van.

Shelby GT500 Provides Power, Performance

CONTINUED FROM PAGE 1

Ford better than the people in Ford. We're building the future and we're not built on bailouts and hype.'

He then unveiled the 2020 Shelby Mustang GT500.

In the process of making the new Shelby GT500 the quickest street-legal Mustang ever, said Ford, "Ford Performance created an exclusive powertrain to deliver new levels of power and torque.'

"With its supercar-level powertrain, the all-new Shelby GT500 takes the sixth-generation Mustang to a performance level once reserved only for exotics," said Hermann Salenbauch, global director, Ford Performance Vehicle Programs. "As a Mustang, it has to be attainable and punch above its weight.

"To that end, we've set a new standard among American performance cars with our most powerful street-legal V8 engine to

roots-type supercharger with air-



Shelby Mustang GT500 interior is designed for comfort, said Owens.

milliseconds - markedly faster than any manual gearbox, Cadiz said.

This dual-clutch transmission is designed for a number of drive modes, including normal, slippery, sport, drag and track, and features line-lock and rpm-selec-

"The GT500 is an important

"We will release more informa-

replace 75 percent of its lineup," Hackett said. "Ford is doing more than it ever has before. The newly-launched Ranger is red hot. Ford just launched the new Explorer and we'll be seeing the new Bronco shortly. And we are seeing the beginning of connec-

said. They will be able to "talk" to each other as well as with infrasmoothly.

China Firm's U.S. Entry Plans

U.S.-Chinese relations.

Yu said the 25 percent auto



Detroit Auto Scene

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"FIRST IN THE HEART OF DETROIT SINCE 1933"

Cadillac XT6 Launch One of Many to Come

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for doing that last year is that we get to do it all again in 2019. We are working hard to drive growth both here in North America and around the world."

And the development of the 2020 XT6 is part of that larger strategy, Carlisle said. It was created to make the most of passengers' time on the road.

This all-new three-row crossover centers on a luxurious, adaptable and connected cabin. complemented with responsive handling and a comprehensive suite of standard and available safety technologies, said Carlisle.

"The first-ever Cadillac XT6 delivers a compelling blend of spaciousness, safety and convenience features for customers who thrive on doing it all," said Carlisle. "It joins the all-new XT4, which has soared to the top spot in its segment, our global bestselling XT5 and the iconic Escalade to accelerate the brand's global growth, with a spirit that is uniquely Cadillac.

"Every seat is the best seat in the house. From luxurious appointments, comfort and convenience to premium sound and technology features, every passenger gets an optimized experience.'

"The new Cadillac XT6 models provide two expressions of the signature Cadillac experience, allowing more personalized appearance and driving character," said John Plonka, chief engineer.

"Premium Luxury models provide an elevated level of refinement, while Sport models offer a performance-oriented feel.'

Part of being the pinnacle of mobility is having vehicles that are both comfortable and stylish, Carlisle said, adding that the 2020 XT6 advances Cadillac's contemporary interior aesthetic, with elegant, wide surface lines and simple interfaces. It's an expression that focuses attention on the quality and authenticity of materials and impeccable craftsmanship.

Distinctive trim and interior colors delineate the Premium Luxury and Sport models, said Plonka, noting that Premium Luxurv models are trimmed with exotic wood decor, while the Sport features performance-inspired carbon fiber trim.

Available comfort features help ensure all passengers have a luxurious experience in every seating row, said Carlisle, including Cadillac's first Bose Performance Series sound system with 14 custom-tuned speakers delivering audio throughout XT6's cabin.

said.

Additional available features include semi-aniline premium leather-appointed seating; Cadillac's in-vehicle air ionizer; automatic heated/ventilated front seats and heated second-row rear outboard seats, and a standard automatic heated steering wheel.

Carlisle said. The XT6's driving experience offers a rewarding balance of responsiveness and



The XT6 interior is designed for both comfort and function.

refinement, with a feeling of solidity that enhances driver confidence, Carlisle said. Those qualities are distilled between the Premium Luxury

and Sport models, with a greater emphasis on road isolation in the sion Shift. Premium Luxury and a greater feeling of agility dialed into the Sport's chassis tuning, Carlisle

The XT6's driving dynamics are powered by a 3.6L DOHC V6 engine estimated at 310 horsepower backed by a nine-speed automatic transmission featuring next-generation Electronic Preci-

To enhance fuel efficiency, Active Fuel Management technology enables V4 operation when V6 power is not required.

NACTOY Names Ram 1500 Truck of Year

CONTINUED FROM PAGE 1

troit manufacturers spend a lot of time, money and effort in creating the best trucks they can. So have judges say the things they've said about the Ram 1500 and give us the awards we've received has been a tremendous accomplishment.

"Full-size trucks are a bareknuckle battle for automakers and Ram has done very well with the 1500."

This is the 26th year of the awards. The 2013 Ram 1500 also won North American Truck of the Year honors.

The awards are intended to recognize the most outstanding new vehicles of the year, said NACTOY spokesman Brent Snavely.

The winning vehicles are chosen to be benchmarks in their various segments based on many factors including innovation, design, safety, handling, driver satisfaction and value for the dollar.



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Court Denies Ghosn Bail

TOKYO (AP) - The Tokyo District Court turned down a request by Nissan's former chairman Carlos Ghosn for release on bail Jan. 15, prolonging his detention by weeks and possibly months.

Ghosn, 64, who was arrested on Nov. 19, has been charged with falsifying financial reports in underreporting his compensation, and with breach of trust in having Japanese automaker Nissan Motor Co. shoulder investment losses and make payments to a Saudi businessman.

His lawyers, who requested his release in the first week of January, appealed the Jan. 15 rejection.

That decision was expected since Motonari Ohtsuru, one of Ghosn's lawyers, had warned in court last week, his first public appearance since his arrest.

that he allegedly failed to report was neither agreed upon nor paid.

charges, he said Nissan suffered no losses and the payments were for legitimate services.

Tokyo prosecutors say they have enough evidence for a case, although they won't disclose details until the trial.



decades, asserted his innocence

Ghosn says the compensation

Regarding the breach of trust

that suspects in Japan often are detained until their trials start.

Ohtsuru said the complexity of Ghosn's case means it could take up to half a year before it goes to trial.

Ghosn, who led Nissan for two

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Ram HD Sales: 22.5 Percent of Full-Size Pickup Market

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will actually use. That's why Ram engineers worked hard to make the towing system easy to set up and do the heavy lifting for users.

"Ram Heavy Duty owners constantly demand the highest levels of capability to tackle the biggest jobs and with 35,100 lbs. of towing capacity, pulled by 1,000 lb.-ft. of torque from our Cummins engine, we now hold the most important titles within the segment," said Bigland.

We've also surrounded owners in luxury and technology that, until now, was unavailable in a heavy-duty pickup. The highest-quality interiors, active safety systems and, of course, our award-winning Uconnect technology contribute to the best Ram 2500 and 3500 trucks we have ever built."

The standard engine in the 2019 Ram 2500 and 3500 Heavy Duty is upgraded to the 6.4-liter Hemi V8, delivering class-leading 410 horsepower at 5,600 rpm and 429 lb.-ft. of torque at 4,000 rpm to handle the payload and towing requirements of the heavy-duty truck user, Bigland said.

Four-wheel-drive versions of the 2019 Ram 2500 and 3500 Heavy Duty are equipped with a BorgWarner part-time transfer case. The 6.4-liter Hemi V8 and variant of the Cummins 6.7-liter Turbo Diesel drive power through either an electronic or manual shift transfer case, depending on the model.

Ram Heavy Duty trucks with the high output version of the Cummins 6.7-liter Turbo Diesel are equipped with an all-new part-time BorgWarner transfer case, Bigland said. This transfer case is designed to handle the higher input loads for maximum towing capability up to 35,100 lbs.

The new front and rear axles on the 2019 Ram 2500 and 3500 Heavy Duty have been engineered to improve durability, handle industry-leading payload and towing capabilities, and minimize Noise, Vibration and Harshness (NVH), as well as take advantage of opportunities to optimize weight, Bigland said. The Ram 3500 Heavy Duty is offered with a new, larger, 12-inch AAM rear axle to handle the class-leading power and capability.

The 2019 Ram Heavy Duty is the most powerful, most capable pickup in the segment with a towing capacity of 35,100 lbs. and payload capacity of 7,680 lbs.," Bigland said. "But big capability is irrelevant if the truck fails to instill confidence to the driver. Ram redefines the phrase, 'you don't even know it's back,' when towing or hauling."

The Ram Heavy Duty trucks feature a new frame built with 98.5 percent high-strength steel, six separate crossmembers, hydroformed main rails and fully boxed rear rails.

Although the new Ram Heavy Duty is stronger and more capable, lightweight materials in the frame, powertrain and an aluminum hood reduce overall weight by up to 143 lbs., Bigland said.

Two Active-Tuned Mass Modules (ATMM) mounted on the frame rails search out unfavorable vibrations and apply countermeasures to eliminate them, he said.

Heavy Duty trucks generally have a suspension equipped for constant, heavy payloads. This leads to a harsher ride when unloaded, Bigland said. The 2019 Ram Heavy Duty includes Frequency Response Damping (FRD) shocks on all four corners.

The valves of an FRD shock automatically adjust for the type of vertical wheel input, allowing the Ram Heavy Duty to have sports-car-like suspension for handling and a supple suspension on rough terrain, said Bigland.

Engineers added progressive springs and upgraded bushings to the suspension system, including the exclusive five-link coil design on Ram 2500, providing better load-carrying characteristics and improved articulation over obstacles when compared to a leaf-spring system, he said.



The 2019 Ram 2500 and 3500 heavy-duty trucks have improved durability and towing capabilities - Bigland.



Hyundai, Kia Vehicles Get **Recalled to Fix Fuel Pipe**

DETROIT (AP) – Despite a government shutdown, Hyundai and Kia are moving ahead with a recall of about 168,000 vehicles to fix a fuel pipe problem that can cause engine fires. The problem stems from improper repairs during previous recalls for engine failures.

The affiliated Korean automakers have been dogged by fire and engine failure complaints from across the nation. They're both under investigation by the U.S. National Highway Traffic Safety Administration, which has been trying to figure out whether initial recalls covered enough vehicles. But the agency is mostly closed due to the shutdown.

In addition to the recall, each automaker says it will do a 'product improvement campaign" covering a total of 3.7 million vehicles to install software that will alert drivers of possible engine failures and send the cars into a reduced-speed "limp" mode if problems are detected. NHTSA employees who do safety investigations and recall notifications are not at work. Under normal circumstances, the agency would review the recalls to make sure they are adequate and post details on the agency website. It also would monitor notices to customers, and make sure customers could check to see if their vehicles are included. Kia spokesman James Bell said the company is proceeding with the recall and campaign regardless of government delays. "Making our customers comfortable is vastly more important than making sure we're following additional government processes right now," he said. Kia sent letters to dealers around Jan. 10 notifying them of the recall, he said. But a U.S. auto safety advocate called the recalls inadequate and said the product improvement campaigns should instead be recalls that are overseen by NHTSA.

A NHTSA spokeswoman said she could not comment due to the shutdown.

Hyundai and Kia started recalling 1.7 million vehicles in 2015 _ about 618,000 of which are Kias _ because manufacturing debris can restrict oil flow to connecting rod bearings. That can cause bearings in 2-liter and 2.4-liter four-cylinder engines to wear and fail. The problem can also cause fires. The repair is an expensive engine block replacement.

Now the companies are acknowledging that the engine replacements may not have been properly done in all cases by dealers. A Kia statement says the high-pressure fuel pipe may have been damaged, misaligned or improperly tightened while the engines were being replaced under recall. That can allow fuel to leak and hit hot engine parts, causing fires Kia is only doing the fix on 68,000 of its 618,000 vehicles recalled for the engine problems, while Hyundai is only recalling 100,000 of more than 1 million. The fuel injector pipe recall covers some 2011 through 2014 Kia Optima cars, 2012 through 2014 Sorrento SUVs, and 2011 through 2013 Sportage SUVs, all with 2-liter and 2.4-liter fourcylinder engines. Also covered are many 2011 to 2014 Hyundai Sonata cars and 2013 and 2014 Santa Fe Sport SUVs.

Malaysia Sees Slight Rise In Car Sales

KUALA LUMPUR, Malaysia (AP) - New vehicle sales in Malaysia rebounded in 2018 after two straight years of contraction, thanks to a three-month tax holiday, but growth's likely to remain flat amid uncertainties over government policies, an automotive group said Jan. 16.

The Malaysian Automotive Association said 598.714 vehicles were sold last year, up 3.8 percent from 2017. It said this was largely due to an upsurge in demand from June to August 2018 after vehicle prices dropped when a new government that took power in May's general election scrapped an unpopular consumption tax.

Prime Minister Mahathir Mohamad's government declared a three-month tax holiday before reintroducing a sales and services tax in September. Malaysia is the third largest auto market in Southeast Asia.

Association president Aishah Ahmad said sales in 2019 are projected to rise by 0.2 percent amid economic uncertainties, a weak ringgit (monetary term) and inflationary pressure. She said car prices have also edged up slightly under the new tax regime.

Changes under the new government have also caused a delay in the approval for pricing of new models.

Plans to revise the national auto planning and develop a new "national" model also have raised uncertainties over future policies.

"We foresee 2019 will be another very challenging year," she said.

National carmaker Proton, privatized in 2012, has only a 10.8 percent market share.



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The companies say owners of the recalled vehicles will be notified by letter.



Manley Declares FCA Can Weather Tough Economy

DETROIT (AP) – Major job cuts or an alliance with other automakers are not in the plans for Italian-American automaker Fiat Chrysler, the company's new CEO said.

Mike Manley, who took over for the late Sergio Marchionne last year, said the company downsized its workforce significantly during the global financial crisis a decade ago, and smaller cuts have been made since. So unlike crosstown rivals Ford and General Motors, he doesn't expect any "big bang event."

Three years ago, Marchionne was shopping for a partner and said the industry needed to consolidate to better share huge capital investment costs.

But Manley said FCA is now in a different position and can go it alone. "We know we have the resources. We have the balance sheet strength," he told reporters Jan. 14 at the North American International Auto Show in Detroit.

Although he's not looking for large-scale partners, Manley said he would be foolhardy to rule out any offers.

Manley also said FCA realigned its North American manufacturing operation to phase out compact and midsize cars and convert the factories to SUVS and pickups, boosting its profit margins.

In a wide-ranging questionand-answer session, Manley also confirmed plans to add factory capacity to build two large 3-row Jeep SUVs that are in the works, the Wagoneer and Grand Wagoneer. He wouldn't say where, but there have been reports it will reopen a factory in Detroit. He said the additional jobs created will be significant.

He also said a pledge to get Italy's factories up to full employment by 2021 with a 5 billion euro (\$5.7 billion) investment in new cars and engine technology is being reviewed due to plans by Italy's populist government to raise taxes on gas- and dieselpowered cars because the "environment has changed."

Manley added that the company expects tariffs imposed by the Trump administration on imported steel and aluminum last year will cost the company \$300 million to \$350 million in 2019. The tariffs are 25 percent on steel and 10 percent on aluminum.

Volkswagen to Build EV in Tennessee

DETROIT (AP) - German automaker Volkswagen said Jan. 14 its factory in Tennessee will be the focus of an \$800 million investment in the company's manufacturing of electric vehicles in North America, a sign of a growing push into the electric car market by European companies. Volkswagen made a couple of announcements that it will expand its plant in Chattanooga and create 1,000 jobs there as the factory gears up for electric vehicle production beginning in 2022. The company issued a news release and disclosed the expansion at the North American International Auto Show. The factory in Tennessee's fourth largest city will produce a vehicle using a modular chassis the company has said will help build electric vehicles for the mass market. Volkswagen currently builds two vehicles in Chattanooga, the midsize Atlas SUV and the Passat sedan. The company announced in March a \$340 million investment in Chattanooga to build the five-seat version of the Atlas.

Nissan Announces Work Force Layoffs

JACKSON, Miss. (AP) – Nissan Motor Co. announced last week that it's cutting up to 700 contract workers at its Mississippi assembly plant, citing slowing sales for vans and Titan pickup trucks that it makes there.

The move follows Nissan's December announcement that it's cutting 1,000 jobs at two Mexican factories. Reports in May indicated the Japanese automaker would cut production by up to 20 percent in North America, citing low profits.

Jan. 17's move comes after the arrest in Japan of former chairman Carlos Ghosn, who led a production expansion in Nissan's largest market. The company has struggled to sell all those vehicles in recent years, turning heavily to incentives and fleet sales to soak up the excess. Spokeswoman Lloryn Love-Carter said the cuts are unrelated to Ghosn's ouster as chairman and new managers taking over at Nissan.

Nissan has 6,400 direct employees and contract workers who labor side-by-side on production lines in Canton, Miss., just north of Jackson. The company has long prided itself on a no-layoff pledge for its direct employees in Canton, and Love-Carter said any affected direct employees would be moved to new jobs.

But that doesn't apply to contract workers, who were cut sharply during the recession.

Love-Carter said the company is offering a buyout to workers 55 or older, and that at least some layoffs over the next 60 days could also be averted as workers quit through attrition.

"We are doing all we can to mitigate the impact to the associate workforce," Love-Carter said.

The company will reduce production of NV cargo and passenger vans from two shifts to one. It will reduce production of Frontier and Titan pickups from three shifts to two. Sales of the larger Titan fell 5 percent in 2018 to about 50,000, while sales of the smaller Frontier rose 7 percent to 80,000.

The Frontier will also face challenges in coming months, as Ford and Fiat Chrysler's Jeep division introduce new small trucks. Nissan plans a new-model Frontier to be made in Canton, which has a 450,000-vehicle capacity.

The company also assembles Altima sedans and Murano SUVs in Mississippi.

Love-Carter said production will fall and some jobs will be cut by attrition at Nissan's 1,600-employee engine factory in Decherd, Tenn., but that Jan. 17's announcement doesn't affect its 8,400-employee Smyrna, Tenn., factory.

Mississippi officials have pointed with pride to Nissan, the state's first major automaker. The company says it has invested \$3.4 billion in Canton since it opened in 2003, and the company has received what could be more than \$1 billion worth of subsidies and tax breaks over 30 years.

Nissan went through a bruising union election at the Canton plant in 2017, with workers rejecting United Auto Workers representation. At the time, 3,700 of the workers on the campus were direct Nissan employees. More than 62 percent of those direct Nissan employees voted against the union.

FCA Issues Air Bag Recall

DETROIT (AP) – Fiat Chrysler is recalling more than 1.6 million vehicles worldwide to replace Takata front passenger air bag inflators that can be dangerous.

Takata inflators can explode with too much force, hurling shrapnel into drivers and passengers. At least 23 people have died from the problem worldwide and hundreds injured.

The recall covers the 2010 through 2016 Jeep Wrangler SUV, the 2010 Ram 3500 pickup and 4500/5500 Chassis Cab trucks, the 2010 and 2011 Dodge Dakota pickup, the 2010 through 2014 Dodge Challenger muscle car, the 2011 through 2015 Dodge Charger sedan, and the 2010 through 2015 Chrysler 300 sedan.

It's part of the largest series of automotive recalls in U.S. history. About 10 million inflators are being recalled this year. Already Ford, Honda and Toyota have issued recalls in the latest round. Fiat Chrysler owners will be notified by letter and dealers will replace the inflators with safe ones. The company says it's not aware of any injuries in vehicles involved in this recall, but says it has plenty of replacement parts and is urging people to get the repairs done.

"Recall service is free, we have replacement parts and dealers are ready to help," Mark Chernoby, FCA's head of safety for North America, said in a statement.

The recall includes 1.4 million vehicles in the United States.

Takata used the chemical ammonium nitrate to create a small explosion to inflate the air bags. But the chemical can deteriorate over time due to high humidity and cycles from hot temperatures to cold.

The most dangerous inflators are in areas of the South along the Gulf of Mexico that have high humidity.



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