



CHAPTER "99" NEWSLETTER ASC-CA-NORTH



Membership Meeting

When: **Wednesday, November 14, 2012**

Time: **Dinner — 6:00 PM ... Program at 6:30 PM**

Where: **Lulu's Banquet Room
2230 Pine Street (Pine St. & Cypress Ave.)
Redding CA 96001**

Program: **Speakers from Team Work HR**

They are labor law experts and will talk about changes in Labor Laws effective January 2013.

Obama victory may boost EV agenda, spur rules on emissions, safety

President Barack Obama's second term likely will include a return to an agenda of support for electric vehicles and also could clear the way for new rules on tailpipe emissions and auto safety that his appointees have been eager to release.

Republican challenger Mitt Romney, a Michigan native, conceded at 12:55 a.m. Eastern time. Obama's fellow Democrats retained control of the Senate, while Republicans kept their House majority

In his victory speech, Obama said he plans to meet with Romney in coming weeks to discuss ways to move the country forward.

He also saluted Romney's father, George, who once ran American Motors, a company absorbed by Chrysler in 1987 and whose Jeep became a flashpoint during the campaign.

"From George to Lenore to their son Mitt, the Romney family has chosen to give back to America through public service and that is the legacy that we honor and applaud tonight," Obama said.

The auto industry figured heavily in Obama's reelection effort, which included as a centerpiece the \$85 billion auto bailout and the resurgence of General Motors and Chrysler.

Support in Ohio for the bailout helped Obama to a victory in that state as well as Michigan, which have about 65 percent of GM and Chrysler Group's U.S. factories.

Romney caused a stir as the campaign wound down with an ad that suggested Chrysler's Jeep was moving jobs from Ohio to China, which the automaker denied. The uproar led Chrysler CEO Sergio Marchionne to put out a statement saying the company will hire 1,100 workers next year to start a second shift at an assembly plant in Toledo.

"You'll hear the pride in the voice of a volunteer who's going door to door because her brother was finally hired when the local auto plant added another shift," Obama said in his post-election speech, referring to the voices he heard on the campaign trail that transcended what he called the cynicism of politics.

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Automotive News

TURIN, Italy -- CEO Sergio Marchionne wants the Chrysler Town & Country to survive as the Chrysler Group's traditional minivan with sliding doors, but he says a final decision is still in the works.

He is leaning toward redesigning the Dodge Grand Caravan minivan into a crossover with standard hinged doors. A decision awaits more data from customer clinics.

"We need to find out in the marketplace what works," Marchionne told Automotive News last week. "We are having customer clinics right now."

In May, Automotive News, citing a Marchionne interview in Automobile magazine, reported that the Grand Caravan would survive as the group's lone traditional minivan.

Marchionne said that if the redesigned vehicles that Chrysler and Dodge now envision are well-received in the clinics, they could be in production within 21 months because their new platform is done. The vehicles are scheduled for the 2015 model year.

Meanwhile, Marchionne confirmed that Chrysler's Jefferson North assembly plant in Detroit will not produce the Levante, Maserati's first SUV. The Levante is an extensively reworked version of the Jeep Grand Cherokee. The vehicles have different exteriors, interiors and engines.

Fiat, which owns Maserati, planned to build it along with its Jeep sibling in the Detroit plant.

Moving production of the Levante to Italy offers Marchionne two advantages. He needs more capacity at Jefferson North for the 2014 Jeep Grand Wagoneer, a large, seven-seat SUV.

The planned production of at least 20,000 Levantes a year would subtract crucial capacity from the Grand Wagoneer.

At the same time, Marchionne's new business plan to return Fiat European operations to breakeven by 2015-16 calls for more production in Fiat's five underused Italian plants.

Fiat's European operations are expected to post trading losses of about 700 million euros, or about \$908 million, this year. Fiat calls trading profit or losses operating profit before results from investments and unusual items.

Meanwhile, Chrysler Group reported net income of \$381 million in the third quarter, up 80 percent from the same quarter of 2011.

Ghosn: The fiscal cliff is our 'big gorilla'



Is there a chance the financial crisis in Europe, or the slowdown in China, could spill over into North America?

"If it exists, it's not significant," Renault-Nissan CEO Carlos Ghosn told Automotive News.

Ghosn said the "big gorilla" that threatens to slow U.S. auto sales growth next year is the fiscal cliff -- shorthand for a dilemma facing the U.S. government at the end of this year, when austere deficit reduction measures kick in if Congress takes no action.

Lawmakers could let a number of substantial tax increases and spending cuts take effect automatically, as a result of kicking the can down the road during the last congressional session. Or they could override those measures.

Ghosn is watching with interest.

"The day we're going to have an answer to this," he said, "we're going to feel much more comfortable about U.S. growth."

GM Unveils The Next Corvette's V-8



Today GM revealed the fifth generation of its legendary small block V-8 at the Powertrain Development Center in Pontiac, Mich. General Motors has made more than 100 million small blocks since 1955 and this variation will be seen first in the upcoming seventh-generation Corvette, or C7, debuting in January. The all-new engine has been dubbed the LT1, and brings the architecture up to the state of the art. Rather than downsizing as has been speculated, the displacement of the all-aluminum engine remains the same at 6.2 liters, but it is augmented with a raft of modern tech that promises to deliver better fuel economy while still pumping out 450 hp and blasting the 'Vette to 60 mph in less than four seconds.

Foremost is the addition of three long-overdue upgrades: continuously variable valve timing, direct injection, and cylinder deactivation. Although the engine remains a cam-in-block pushrod design, the cam is now fitted with a hydraulic timing phaser so that intake and exhaust valve opening and closing duration can be changed to improve performance. Direct injection is done with a common rail design with a high-pressure fuel pump powered by the camshaft. Interestingly, the fuel rail and injectors are not rigidly mounted to the head; instead the components are isolated and floating, which is intended to reduce vibration and noise, a problem with other direct injection engines.



To compliment the direct injection, GM engineers undertook millions of hours of simulation to maximize the head of the piston for air-fuel mixing and to get an efficient burn in each combustion. Cylinder deactivation in the new small block can temporarily reduce the engine from a V-8 to a 3.1-liter V-4; it's done via hydraulic lifters fitted to four of the eight cylinders, which can be deactivated by cutting hydraulic pressure and completely deactivating the valves during four-cylinder operation.

Other upgrades in the all-aluminum engine: The compression ratio is bumped up to 11.5:1, which is very high for a gasoline engine. It usually means premium fuel is required, but careful design in the LT1's combustion chamber and piston head means premium is recommended but not required. With hydraulics being an important part of the regular operation of the engine, a new variable output oil pump has been designed to match pressure needed while reducing engine drag if possible.

The big parts have been improved, too, with a forged crankshaft and connecting rods, iron main bearing caps for durability and polymer bearings for low friction, and oil jets that cool the bottom of the piston. Thanks to efficient packaging, the engine is just 25.34 inches tall, and fully dressed it weighs in at 465 lbs. That's slightly heavier than the outgoing mill, mostly because of the added tech.

With all of these elements in place, the engine is intended to remain a true performer. Power is promised to be a minimum of 450 hp at 6000 rpm with 450 lb-ft of torque at 4000 rpm on a flat power curve that climbs up to a 6500 rpm redline. Engineers are quiet about specifics on Corvette performance, but Chevy promises 0 to 60 mph in less than four seconds, plus better fuel economy than the 26 mpg we see in today's Corvette.

Bottom line: GM aims to deliver a no-compromise engine for its marquee sports car. "You can look forward to another generation of ground-pounding American power," says Corvette Chief Engineer Tadge Juechter.

Quotes

The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries. ~~~~ Winston Churchill

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Few Details

Obama has provided few details on his plans for the auto industry during a second term, such as his plans for the 500 million shares of GM stock still owned by the federal government. But the backlogs of funding and rules at federal agencies show the agenda that Obama's appointees likely will advance in the next four years.

On electric cars and other cleaner technologies promoted by the EPA and the Department of Energy, "I expect us to pick up again in a second term and put everything back on track," said Roland Hwang, director of the transportation program at the Natural Resources Defense Council, an environmental group.

Car companies may not agree with all of Obama's policies, but they can accept the predictability of the White House-brokered corporate average fuel economy deal with automakers and the state of California.

The rules, which set annual targets that ramp up to the equivalent of 54.5 mpg by the 2025 model year, should now go into effect without major changes through the end of Obama's second term in 2016.

Some dealers have grumbled about the effect on new-vehicle sticker prices. But automakers generally say they're glad to get clarity about the numbers that'll need to show up on fuel-economy labels over the next decade.

Now the administration faces a new test: making sure car buyers remain confident in those labels after last week's revelation that Hyundai and Kia overstated the fuel economy of some of their best-selling vehicles from model years 2011-13.

Gloria Bergquist, a spokeswoman for the Alliance of Automobile Manufacturers, said the course of action won't be clear until the EPA figures out exactly what happened.

Consumer groups may call for stricter measures to make sure car buyers are getting the advertised fuel economy. But regulators spotted the inaccuracies in this case, so there's no sign of a broken system that justifies big changes, Bergquist said.

"We haven't seen this problem in the past," she said. "Because the requirements are so clear, I can't understand whether it was a simple error or what it was. I'll count on the agency to inform us."

The electric charge

President Obama set a goal of having 1 million electric vehicles on the road by 2015, and supporters expect him to stick with it.

His administration tapped on the brakes during the campaign season in the face of Republican criticism, but the makers of electric vehicles and their suppliers are still in line to receive cash and research aid despite being heaped with scorn by Republican challenger Mitt Romney during the campaign.

Obama proposed in February to increase a \$7,500 tax credit for electric cars to as much as \$10,000, a clear sign he'll resist efforts to cut that subsidy during the tax talks that will grip Washington over the next few months.

And with the election in the rearview mirror, his administration also could decide to resume lending under the Advanced Technology Vehicles Manufacturing loan program, a \$25 billion fund for the production of cleaner cars and trucks as well as high-tech components that go into them.

The Department of Energy never formally closed the ATVM program, but the fund went mostly dormant last year after other DOE-backed companies went bankrupt and the administration became gun-shy about new loans.

Some companies withdrew applications, such as the startup Coda Automotive Inc., which chose to expand its manufacturing in China rather than in Ohio. Others didn't make it, such as the EV startup Bright Automotive, which went out of business in March after failing to secure a \$314 million DOE loan.

The ATVM fund still has about \$16 billion left. Budget cutting on Capitol Hill may make it difficult to give out the money, but congressional Democrats and their allies want Obama's appointees to keep at it.

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"Obama clearly still has a goal of 1 million plug-in EVs on the road by 2015," Hwang of the Natural Resources Defense Council said. With Obama in office for the next four years, "there will probably be somewhat of a re-evaluation of the program, but the ATVM is much more likely to move forward."

Regulatory plans

Outside of the CAFE standards, new rules from Washington slowed to a trickle this year, a sign of a White House trying to avoid fights in an election year. Plenty of stalled rules could now return to the agenda at agencies such as the EPA and National Highway Traffic Safety Administration:

-- Car companies have lobbied for the federal government to adopt California rules requiring cleaner fuel, partly because the amount of sulfur in current blends can foul up catalytic converters and partly because they don't want to deal with a patchwork of standards. California's third round of Low Emission Vehicle rules, known as LEV 3, is seen as a model for a new nationwide "Tier 3" standard from the EPA, but the idea has drawn resistance from oil refiners, which have a formidable lobby on Capitol Hill and rarely agree with the Obama administration.

After backing away from the issue this year, Obama's appointees must now decide whether cleaner-burning fuel is important enough for automakers and public health to justify costs on refiners that might add a few cents to the price of a gallon of gasoline.

-- Ordered by a 2008 law to reduce the number of children who die from being backed over by cars, NHTSA proposed a rule that would require new cars to have backup cameras by 2014. Earlier this year, the White House put a hold on the rule to address complaints from automakers. Backup cameras would add \$58 to \$203 to the cost of a new car or truck, depending on whether the vehicle already has a video display, NHTSA says.

Officials from the Alliance of Automobile Manufacturers told White House officials during a meeting last December that the change would cost too much, at \$11 million for each of the 200 to 240 lives saved. Obama's appointees will need to decide how to weigh the added costs against safety, and their decision will have a major effect on the fast-growing market for navigation and video displays.

-- Obama's appointees to the National Labor Relations Board likely will continue to press for rules that further the interests of unions. Obama himself has backed a "card check" bill in Congress that would abolish the secret ballot that makes it harder for unions to organize workers. The effort has stalled so far, but Richard Trumka, the president of the labor union AFL-CIO, recently told The Atlantic that he expects Obama's favored provisions to become law during a second Obama term despite hurdles in Congress.

Chapter "99" Christmas Party

When: Thursday, December 13, 2012

Where: Cattlemans Steakhouse

More info to follow.....time, menu, etc.

Quotes

Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon.

Winston Churchill

CODE of ETHICS

- 1. To promote good will between the motorist and the industry.**
- 2. To have a sense of personal obligation to each individual customer.**
- 3. To perform high quality repair service at a fair and just price.**
- 4. To employ the best skilled personnel obtainable.**
- 5. To use only proven merchandise of high quality distributed by reputable firms.**
- 6. To itemize all parts and adjustments in the price charged for service rendered.**
- 7. To retain all parts replaced for customer inspection, if so requested.**
- 8. To uphold the high standards of our profession and always seek to correct any and all abuses within the automotive industry.**
- 9. To uphold the integrity of all members.**
- 10. To refrain from advertisement which is false or misleading or likely to confuse or deceive the customer.**

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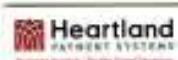
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