



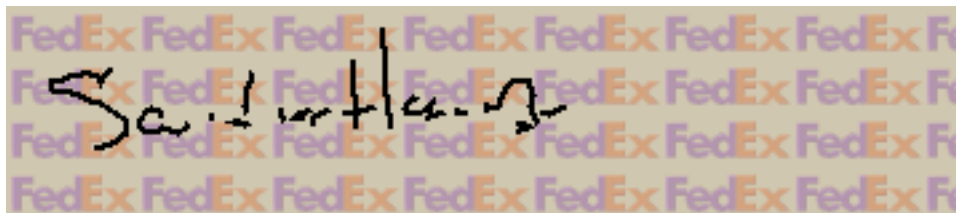
February 13, 2013

Dear Customer:

The following is the proof-of-delivery for tracking number **800793415973**.

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Signed for by:	S.HARRIS	Delivery location:	1200 N.J. AVE SE W41 304 DC 20590
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Shipping Information:

Tracking number:	800793415973	Ship date:	Feb 12, 2013
		Weight:	2.0 lbs/0.9 kg

Recipient:
DAVID L STRICKLAND
NHTSA HEADQUARTES

Shipper:
PAUL V. SHERIDAN
SHERIDAN, PAUL V
22357 COLUMBIA ST
481243431 US

Reference EA12005

Thank you for choosing FedEx.

To: Mr. David L. Strickland *
NHTSA Headquarters
West Building
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

Date: 12 February 2013

VIA FEDEX AIRBILL [8007-9341-5973](tel:8007-9341-5973)

From: Mr. Paul V. Sheridan
DDM Consultants
22357 Columbia Street
Dearborn, MI 48124-3431
313-277-5095 / pvs6@Cornell.edu

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Overleaf Content Summary / Briefs

For Chrysler Group LLC defense lawyers to claim in a court of law that they are unable to locate “documents generated by any Product Planning Committee,” is equivalent to the NHTSA Administrator testifying before the House Committee on Appropriations that he/she is unable to locate the Transportation Safety Act.

FARS indicates that since the 2005 introduction of the standard equipment heavy duty steel encapsulation of the plastic fuel tank on the WK-Body, the MHE fire deaths have been reduced to zero in the Jeep Grand Cherokee, such as that pictured below with President Obama and Chairman Marchionne. As the latter is fully aware, this WK-Body FARS data does not refer to heavy duty off-road driving; it refers to trips to the grocery.



In light of the generosity of the American taxpayer and the Obama Administration, the notion that Fiat management would continue to ignore the subject proposal(s) and its miniscule comparative cost, while instead simultaneously spending 5.5 billion dollars in their quest to purchase additional Chrysler stock, during a time that they are fully aware that additional MHE fire-deaths have occurred in EA12-005 vehicles, confirms that a short-term focus on financial gain has subverted their common sense of priority, and borders on Gross Criminal Negligence.

President Obama discloses his bias which favors, as he states, the “state of the art” WK-Body over the EA12-005 Jeep Grand Cherokee vehicles here:

<http://www.youtube.com/watch?v=cGrOacZvFs4#t=0m40s>

* Available with blue / underlined hyperlinks: <http://links.veronicachapman.com/Sheridan2Strickland-11.pdf>

** By email or USPS

To: Mr. David L. Strickland *
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Washington, DC 20590
202-366-4000

Date: 12 February 2013

VIA FEDEX AIRBILL [8007-9341-5962](tel:8007-9341-5962)

From: Mr. Paul V. Sheridan
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Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

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12 February 2013

VIA FEDEX AIRBILL [8007-9341-5973](tel:8007-9341-5973)

Mr. David L. Strickland, Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Dear Mr. Strickland:

A proper perspective for the subject requires at least six contextual items (I, II, III, IV, V, & VI):

Context I : Diversionary Use of “Skid Plate” Vernacular Versus the Requested/Anticipated Remedy

As predicted in my letter of [27 August 2012](#), Chrysler will divert from the crux of the subject: Offering to the public, by way of a safety recall, the installation of a “*protective impact deflection structure*” to EA12-005 vehicles. ^I

As if on-cue, Chrysler instead offered a diversion in their submission to EA12-005 of [13 December 2012](#) :

“Chrysler Group notes that a fuel tank skid plate is an off-road driving accessory that is typically offered on sport utility vehicles. As the term implies, it is a plate that is positioned on the underside of the vehicle below the fuel tank. The primary purpose of the skid plate is to permit the vehicle to “skid” or slide over an obstacle to avoid abrading or damaging the fuel tank surface during low speed off-road excursions into uneven or unfamiliar environments. It allows the equipped vehicle to slide over brush, rocks, debris, and other similar obstacles.” ^{II}

What is noted is that Chrysler seeks to divert public attention, rather than engage in substantive discussion of what file EA12-005 already contains (ATTACHMENT 1). Chrysler also wishes to obscure the following two facts (A & B):

A. Beginning with the 1999 WJ-Body Jeep Grand Cherokee, a so-called “brush guard” was installed as standard equipment; a device which is too flimsy to add structural protection, and only partially encapsulates the rear-mounted plastic fuel tank. Constantly shunning on-camera interviews, but [in several PR statements](#), Chrysler has claimed:

“(The WJ-Body brush guard is designed to protect the fuel tank during) light-duty off road driving.”

This defense bar ruse is absurd on-its-face. In effect, Chrysler expects the Agency to believe that in preparation for the WJ-Body they had conducted extensive consumer research and determined that 100% of its Jeep Grand Cherokee customers were demanding light-duty off road driving. They were not. But insight can be gained by observing that discovery requests for warranty data on the 1993-1998 ZJ-Body plastic fuel tank have been vigorously denied by Chrysler and its discovery counsel, and on the basis that such comprises “trade secrets.” ^{III}

B. Consistent with Fact A, Chrysler *now* expects the Agency to believe that, in preparation for the 2005 WK-Body, they had conducted similar research but had *now* confirmed that 100% of its Jeep Grand Cherokee customers were *now* demanding heavy-duty off road driving. They are not.

As you are fully aware, FARS indicates that since the 2005 introduction of the standard equipment heavy duty steel encapsulation of the plastic fuel tank on the WK-Body, the MHE fire deaths have been reduced to zero. This zero MHE fire-death data for the WK-Body does *not* refer to light-duty off road driving . . . and it does *not* refer to heavy-duty off road driving . . . it refers to highway driving where the “*excursions*” are even and familiar . . . it refers to driving which comprises 99.99% of the Jeep customer user demographics. ^{IV}

Context II : Fiat Prioritizes Full Ownership of Chrysler with Multi-billion Dollar Stock Purchase

Numerous reports indicate that Fiat SpA management seeks to spend 5.5 billion dollars in their quest to purchase additional Chrysler stock, raising their holdings to 100%. These reports state:

*“(Fiat Chairman Sergio) Marchionne reiterated . . . that he and Fiat remain determined to gain full control of Chrysler by buying the remaining 41.5 percent stake . . . In the current weak economic environment, Marchionne said, “The availability of cash is crucial. **It’s better to be safe than sorry.**”*

A competent person does not take issue with profitability or liquidity. But an ethical person understands how a short-term focus leads to incorrect priorities. Fiat SpA, parent to Chrysler Group LLC which was gifted at taxpayer expense, is prioritizing stock purchase over highway safety. The cost of the ‘Proposed EA-012 Recall Remedy’ is miniscule. Fiat management is about to expend billions on a stock purchase, rather than relative pennies on a simple safety recall; refusing to do the latter while being fully aware that additional avoidable deaths are known to have occurred in the EA12-005 vehicles (ATTACHMENT 2).

This Fiat SpA behavior is incompetent, unethical, and violates ordinary sensibility and common decency. ^v

Context III : Chrysler Corporate and Chrysler Dealership Defense Lawyer Ploy to Close EA12-005

Chrysler corporate and their counterpart Chrysler dealership lawyers have enacted a litigation defense strategy that includes subversion of EA12-005. Their joint behavior in the case of Kline vs. Loman’s Auto Group supports this opinion. So far, not less than seven trial dates have been postponed by the defense, the most egregious involved postponement from 28 January 2013. They are now proposing trial April 2013.

Note, at no time has the Kline plaintiff asked for postponement of trial; in truth, the plaintiff has been ready to present his case to a jury for nearly two years.

Implicit to this Chrysler ploy is their assessment that the plaintiff’s case against a dealership is legally weaker or potentially more winnable, versus several upcoming cases against Chrysler Group LLC. It is not. ^{vi}

Strategically, closure of EA12-005 is viewed as enhancing the chances that the defense can prevail in the dealership litigation. It does not. But their intent is to subsequently use this “victory” as a domino in the corporate cases; their intent is to tout NHTSA closure of EA12-005 as central to their rebuttal of the plaintiff allegation of a safety defect.

Previously, at several court hearings that I attended in New Jersey, the lawyers defending Loman’s had openly voiced their “*NHTSA is about to close the investigation*” rant with the judge. Earlier, compliance with regulatory minimums was central-to and deemed sufficient-for the defense case. However the regulatory compliance agency, NHTSA, has repeatedly upgraded the investigation, compelled to do so as victims continue to burn to death in EA12-005 vehicles. The dealership defense lawyers have deployed trial delay after trail delay, while their Chrysler corporate counterparts simultaneously attempt to close EA12-005. Their joint pusillanimous intent is to deny Mr. Kline his day-in-court during a concurrent and active NHTSA safety defect investigation on “*the vehicle at issue.*” ^{vii}

In light of the secret EA12-005 meeting that took place between the Agency and Chrysler on [August 30, 2012](#), in view of repeated requests for a similar meeting with the petitioner (that have never received the professional courtesy of a response), and given the past relationship between NHTSA and Chrysler (ATTACHMENT 3), Context III needs to be fully exposed and fully vetted.

Context IV : Chrysler's EA12-005 "document retention requirements" Ruse

In my letter to you of [27 September 2011](#), I detailed the historical "trade secrets" fraud that has been repeatedly committed by Chrysler defense lawyers, especially when two events are active:

- i. Product liability litigation
- ii. NHTSA Safety Defect Investigations

Now, their submission to EA12-005 of [13 December 2012](#) involves a ruse associated with time. If the issue concerns vehicles they consider "old," or vehicles that they want potential litigants to trade-in, or they want the Agency to forget about, they deploy the following time-based diversion:

"Chrysler Group has searched for and reviewed the available historical design and development records for the Subject Vehicles in order to respond to this request. Some of the information sought by this request dates back to activities that occurred over 25 years ago, and many records are no longer available due to applicable document retention requirements."

Note that their "retention requirements" verbiage attempts to convince you that the only existing source of these documents is 1) the respondent to EA12-005 and 2) the defendant in several past and future MHE fire death litigations: Chrysler Group LLC. As Chrysler lawyers are fully aware, it is not. ^{VIII}

However, to understand that this "old" diversion is also a fraud, one needs to have direct experiences, such as my own, wherein utterly irrelevant documents, which relate to my professional activity of over 25 years ago, are magically exempt from "retention requirements." If these are believed to favor their defense case, such are instantly located. Chrysler lawyers have even produced documents that were utterly irrelevant and originated with my employer of 30 years ago, Ford Motor Company. ^{IX}

If a document is viewed as supportive, the Chrysler defense lawyers have no problem with production. If a document (or witness) portends the reverse, then Chrysler fraudulently claims that such "*records are no longer available.*" This includes the [Baker memo of 1978](#), which Chrysler failed to submit under DP09-005/PE10-031. ^X

Context V : Chrysler Attempt to Dismiss Punitive Suit in Jeep Fire-Death Case Fails

Referencing their "*potentially more winnable*" assessment in Context III above, on 11 December 2011 Chrysler dealership lawyers attempted to have the punitive portion of the lawsuit dismissed:

" . . . from any and all punitive damages, and grant such other and proper relief that the Court may deem just and appropriate under the circumstances."

Regarding these alleged "circumstances," the lawyers essentially claimed that their client, an automotive dealership of forty years, which included and still includes the sales & service of the Ford Explorer SUV, does not, and has never had, any detailed knowledge of . . . automobiles. ^{XI}

The defense motion ostensibly requested that the Court view their dealership defendant as a victim, derived from the fact that it was "dumped" as part of the "restructuring" of Chrysler LLC in 2009.

But let us reverse the scenario; suppose this defendant had been retained by Chrysler Group LLC. In this scenario, does Chrysler expect the taxpayer to believe that their retained dealerships would *also* proclaim, under oath, a complete ignorance of Jeep products? In this scenario, the Chrysler dealerships, or at least those that seek to remain franchised, will align themselves and their testimony to the Chrysler edict that the EA12-005 fuel tank systems are not defective, doing so on the basis that they possess, and have always possessed a detailed knowledge of . . . automobiles. ^{XII}

The Court denied the Chrysler dealership motion (ATTACHMENT 4). This ruling allowed us to proceed with the next phase of discovery: Documenting for the jury the relative cost of adding a "*protective impact deflection structure*" to the Jeep Grand Cherokee, an addition that would have saved the life of Mrs. Susan Kline (ATTACHMENT 5).

Context VI : Chrysler Ongoing Failure to Ascend to Routine Legal Discovery Responsibilities

In compensatory and especially the punitive phases of product liability litigation, “*admissible evidence*” routinely includes detailed financial data relating to the defendant.

On 18 June 2012, twenty-one days prior to the discovery deadline in a MHE fire-death litigation, I compiled and forwarded a request for documents that provide relevant financial data on the ZJ-Body. These documents and related data originated with bankrupt Chrysler LLC; its predecessor DaimlerChrysler Corporation, and its predecessor Chrysler Corporation. The exact request that I submitted to the plaintiff is under ATTACHMENT 6.

In ATTACHMENT 7, regarding well-known financial documents and data, Chrysler Group discovery lawyers declared:

“Chrysler Group further objects to this request as vague, overly broad, unduly burdensome, and because it seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.”

Relating to documentation for the meetings wherein these financial data are discussed and approved, Chrysler claimed:

“Without waiving any objection, after reasonable and diligent search and inquiry, Chrysler Group has not located 10-panel, 11-panel, and/or 12-panel charts that were created prior to and during the manufacture and sale of the 1996 Jeep Grand Cherokee (ZJ). Further, after reasonable and diligent search and inquiry, Chrysler Group has not located documents generated by any ‘Product Planning Committee’ or ‘Product Planning Sub-Committee’ such as those sought in this request.”

The very same organizations and individuals that responded in a manner characterized by the above are also intrinsic to the Chrysler submissions to DP09-005, PE10-031 and EA12-005.

Since my expertise is sought in upcoming ZJ-Body (and WJ-Body litigation), which both involve the horrific death of American citizens *after* NHTSA upgraded this investigation to an EA, I will not preemptively provide the Agency with discovery documents of the type and model designation requested above. ^{XIII}

Proposed EA-012 Recall Remedy – Preliminary Document Review

I am not currently involved in litigation involving the XJ-Body Jeep Cherokee vehicle. This discussion is based on the following documentation which relates to the XJ-Body, a model which was later added to EA12-005. ^{XIV}

Attachment 8: Pre-Product Planning Committee meeting minutes for 27 January 1994, relating to the program review of the 1997 Jeep Cherokee (aka Product Planning Sub-Committee).

Attachment 9: Product Planning Committee meeting minutes for 4 February 1994, relating to the program approval of the 1997 Jeep Cherokee (aka the PPC).

Attachment 10: Monroney Labels depicting dealership Manufacturers Suggested Retail Price (MSRP) data.

The following provides an overview of Attachment 8 through 10:

1. The highest levels of Chrysler management were members of the PPC, including Mr. Francois J. Castaing, the Executive Vice President of Engineering who was simultaneously the Product Executive directly responsible for all Jeep Product programs. Mr. Castaing is thoroughly familiar with the creation/existence of the documents requested in Kline v Loman’s (ATTACHMENT 11).
2. The XZ-Body pricing was reduced upon introduction of the ZJ-Body in 1993. Historically, this strategy was deployed to allow the XJ-Body to become a “price leader in the small SUV segment,” while simultaneously allowing the ZJ-Body to become the profit leader in the mid-size SUV segment.
3. Under the 9th page of Attachment 9 is a *panel* chart. In Panel #1 the term “Safety L.O.T.V.” does not refer to safety leadership, but to the requirement that regulatory compliance items must endure the ‘Life of the vehicle.’”

Proposed EA-012 Recall Remedy – Preliminary Document Review – Con’t

4. Page 9 of Attachment 9 Panel #4 includes “Design FMEA Complete.” This confirms that Chrysler defense counsel statements and submissions, and expert witness testimony, which claim that Failure Mode Effects Analysis (FMEA) for Jeep products were not conducted; are statements known by them to be fraudulent. ^{xv}
5. On several pages of Attachments 8 and 9 you will note references to the ZJ-Body. Presuming that a sincere “*reasonable and diligent search and inquiry*” is truly conducted, documents and data such as that requested by the plaintiff in Kline v Loman’s are also available for *all* of the Jeep products included in EA12-005.
6. Comparing my verbiage in Attachment 6 to that used throughout Attachments 8 and 9 will confirm that the Chrysler defense lawyer response, which rebuffs the plaintiff’s request for that precise data as “*vague*,” was known by them and current Chrysler Group LLC executive management to be fraudulent. Other discoverable documents, which Chrysler also refused to produce, further this specificity and the allegation of fraud.

Proposed EA-012 Recall Remedy – General Historical Incremental Piece Cost and Financial Summary

Based on the 4 February 1994 PPC approval data for the XJ-Body, the following financial data can be derived:

<i>Tracked Vehicle Financial Category</i>	4 Feb 1994 PPC Data	Factory or Dealership Incremental Cost: Fuel Tank Encapsulation	Incremental Cost of Fuel Tank Encapsulation as Percent of Category
Corporate Variable Cost	\$ 9737	\$50	0.5 %
Corporate Variable Margin	7644	\$50	0.6 %
Wholesale Delivered Price (WSD)	\$ 17381	\$50	0.3 %
Dealership Margin (approx.)	5000	\$100	2.0 %
Destination/Shipping Charge	465	n/a	n/a
Monroney Label MSRP (typical)	\$ 22846	\$100	0.4 %
<i>Long-Term Customer Financial Effects Analysis</i>			
Monthly Payment Assuming that Encapsulation Cost Absorbed by Chrysler	\$515.84	Assumes full financing of MSRP at 4.0% for 48 Months	
Monthly Payment Assuming Pass-through of Encapsulation Cost (“cost recovery”)	\$516.97	Assumes MSRP increased by \$50 Incremental Fuel Tank Encapsulation Cost to \$22896.	
Increment to Monthly Payment	\$1.13	n/a	0.2 %

Again, this discussion is based on the XJ-Body “price leader,” not the ZJ-Body margin leader.

The \$50 factory level assumes 100% installation and associated economies of scale. The \$100 cost at the dealer level assumes reduced MOPAR economies of scale. Both assume 1997 economics. This is piece cost, not “price.”

At the dealership level, these factory actions would not have decreased margins. The \$100 incremental cost for retrofit at the dealership would have minimal negative financial effects, but incalculably positive effects on customer safety.

Increasing the base tracked XJ-Body vehicle cost by \$50 would theoretically reduce the corporate Variable Margin by 0.6%. However, in practice, it is typical that base vehicle safety is not priced at the WSD level, but pass-through or “cost recovery” is deployed. Cost recovery for the fuel tank encapsulation passed-through to the XJ-Body customer would have increased their monthly payment by approximately \$1.13 or two-tenths of one percent.

Conclusion

In perspective, for Chrysler Group LLC defense lawyers to claim in a court of law that they are unable to locate “documents generated by any Product Planning Committee,” is equivalent to the NHTSA Administrator testifying before the [House Committee on Appropriations](#) that he/she is unable to locate the Transportation Safety Act.



In light of the generosity of the American taxpayer and the Obama Administration, the notion that Fiat management would continue to ignore the subject proposal(s) and its miniscule comparative cost, while instead simultaneously spending 5.5 billion dollars in their quest to purchase additional Chrysler stock, during a time that they are fully aware that additional MHE fire-deaths have occurred in EA12-005 vehicles, confirms that a focus on financial gain has subverted a common sense of priority, and borders on Gross Criminal Negligence (ATTACHMENT 14). ^{XVI}

The very same organizations and individuals that defraud plaintiffs in discovery are intrinsic to the Chrysler submissions to EA12-005.

The analysis above, in the ‘General Historical Incremental Piece Cost and Financial Summary’ section, indicates that the Jeep Cherokee XJ-Body “price leader” would have required an increase in tracked model variable cost of only five-tenths of one percent to provide the “*protective impact deflection structure*” of the type documented in the [Baker memo of 1978](#). To similarly protect the Jeep Grand Cherokee ZJ-Body profit leader, such as the one driven by Mrs. Susan Kline on 24 February 2007, I estimate an incremental variable cost of only four-tenths of one percent.

As you and Chrysler Group are fully aware, but the taxpayer is not, FARS indicates that since the 2005 introduction of the standard equipment heavy duty steel encapsulation of the plastic fuel tank on the WK-Body, the MHE fire deaths have been reduced to **zero** in the Jeep Grand Cherokee, such as the model pictured above with President Obama and Chairman Marchionne. As the latter is fully aware, this WK-Body FARS data does not refer to heavy duty off-road driving; it refers to trips to the grocery.

Requests

1. To assist with a financial perspective/analysis of the subject, please request from Chrysler Group LLC all of the documents and data listed under ATTACHMENT 6 which relate to the EA12-005 vehicles.
2. Please keep me apprised of the progress and cooperation received to Request 1.
3. Please schedule a meeting, of at least equivalent format/content to that of [30 August 2012](#), with the Petitioner to review the status of EA12-005

Please do not hesitate to contact me at any time.

Respectfully,

Paul V. Sheridan

Endnotes : Page 1 of 3

- ⁱ The “*protective impact deflection structure*” is detailed in the internal Chrysler memo written by L. Baker in 1978, which I provided to the Agency on [1 June 2010](#).
- ⁱⁱ Note that Chrysler Group LLC was in possession of my letter to you of [27 August 2012](#) at the time it continued to make these purposely diversionary and misleading statements. Specifically, nowhere in their [13 December 2012](#) submission to the EA12-005 file do they reference or address the facts presented in my sections entitled, *The Fraudulent Claim that Skid Plates Make “no difference,” The Ruse of “high speed, high energy crashes,” or Diversionary Use of “Skid Plate” Vernacular Versus the Requested/Anticipated Remedy*. Again, part of their ruse is derived from the fact that ODI has unilaterally decided to file petitioner and petition-support submissions in files that are “Closed,” while giving access to Chrysler submissions in the EA12-005 file which is “Open.” I addressed this logistical partiality in my letter to you of [29 January 2013](#). As of this letter I have not received a response from you on this latter matter.
- ⁱⁱⁱ One of the more revealing experiences I have had during this investigation is the ease with-which I was able to locate and purchase, on the very same day, a MOPAR service fuel tank for a 1996 Jeep Grand Cherokee. When I telephoned a Detroit area Chrysler-Jeep dealer, their Part & Service counter was thoroughly familiar with the part. But I was utterly astounded when he explained that dealerships typically kept this big, bulky 15-year-old part in stock! Within 90 minutes of making the telephone call I was in possession of a brand new 1996 OEM replacement of the Jeep Grand Cherokee fuel tank. In fact, the fuel tank that we used as a prop in this [2009 ABC News report](#) is the MOPAR tank that I purchased from dealership parts inventory!
- ^{iv} My letter to you of [1 January 2013](#) included the following Endnote 7:
- “A majority of the engineering design and a great number of core components of the 2005 WK-Body were provided by the Daimler-Benz engineers during the DaimlerChrysler era; a fact openly touted in Jeep advertisements and press releases. Contrary to the diversions provided to the media by Chrysler Group LLC, the dramatic improvement in the safety of the fuel tank system of the WK-Body (to that of a ‘no defect’ status versus the ZJ/WJ-Body) had no technical relation to the ruse about “luggage space.” In litigation and under a competent/complete EA12-005, Chrysler and dealership defense lawyers, their defense experts, and NHTSA will be hard-pressed to explain how the inclusion of a 3/16” plate steel fuel tank encapsulation, as standard safety equipment in the WK-Body, has any design correlation whatsoever to “luggage space.”
- Although Toyota was asked to comment under PE10-031, **the fact that NHTSA/ODI failed to solicit comments from DaimlerBenz on the WK-Body, and their fuel system engineering design concepts, remains egregious.** Please see my letter of 9Feb2011, Concern 3, on page 4 of 5, available here: <http://links.veronicachapman.com/Sheridan2Strickland-1.pdf>”
- ^v Relative to the issues of product liability and safety, this recent short-term oriented behavior is in stark contrast to that demonstrated by Chairman Marchionne at the Auto Task Force hearings of May 2009. He testified that he had intended to “honor” the liability lawsuits that existed prior to the 30 April 2009 Chrysler LLC “*Notice of Suggestion of Bankruptcy*.”
- ^{vi} By virtue of their never-ending postponements, the defense lawyers have confirmed that they know that, given the facts of the plaintiff’s case, that this assessment is false.

Endnotes : Page 2 of 3

VII As if seeking to expose their pusillanimity, in their response of 24 July 2012 to Kline discovery, Chrysler Group LLC declared:
“Chrysler Group LLC did not design, manufacture or test the vehicle at issue, a 1996 Jeep Grand Cherokee (ZJ) VIN 1J4GZ58S9TC401311.”

However an equivalent Chrysler Group LLC declaration has not been issued regarding the documents that were requested by the Kline plaintiffs. On that subject they have declared the reverse:

“Assuming an appropriate protective order is entered, Chrysler Group LLC will produce the documents by May 28, 2010. Almost all the (Old Carco) documents you are seeking contain confidential commercial information. As such, Chrysler Group LLC will not produce these (Old Carco) documents without a protective order in place.” (underline added)

(The Agency should note that this “protective order” charade was the exact defense ruse deployed when the infamous “Ivey memo” was discovered. ATTACHMENT 12 contains the two-page memo of Mr. Edward Ivey entitled “*Value Analysis of Auto Fuel Fed Fire Related Fatalities.*” Even a cursory review of this type of document confirms that it contains nothing of a “*proprietary, trade secret, or confidential*” nature, and therefore nothing requiring/deserving of a court ordered “protective order.” The Ivey memo, similar to a vast majority of the documents sought in EA12-005 or Jeep litigations, is a document that the defense bar deems non-supportive.)

Given their 24July2012 declaration, a reasonable person would ask, “Confidential for who?!” The company (Chrysler LLC) that **DID** “*design, manufacture or test the vehicle at issue,*” and **DID** create the discovery documents now requested by the Kline plaintiff had tactically declared bankruptcy, which was partially motivated by the implicit shielding against product liability cases. Meanwhile the company that makes the reverse “**did not**” declaration (Chrysler Group LLC), vigorously promoting an ignorance of “*the vehicle at issue,*” is simultaneously demanding confidentiality through plaintiff capitulation to “*an appropriate protective order.*” Such pusillanimous behavior and doubletalk is not motivated by a desire to provide safety to the automotive public.

VIII The Chrysler defense lawyers are also aware of the **vast** numbers of suppliers, sub-suppliers, ex-employees (Union, secretarial, managerial, etc.), shareholders, and dealerships that have been disenfranchised, betrayed or brutalized by everything from mergers with foreign companies (a crisis coded named “[The Marriage Made in Heaven](#),” please see link), to sellouts to banks, to bailouts to [Auto Task Forces](#), to bankruptcies in court. Again, their “*retention requirements*” verbiage attempts to convince the innocent that the only source of these historical documents is Chrysler Group LLC and/or its discovery counsel. Absurd.

IX These document productions are expected since, in the Detroit area and elsewhere, it is known practice for the manufacturers to employ the same defense firms. Curiously but predictably, in all cases, these irrelevant documents have never been used at trial. In one instance, during my deposition in a minivan death case, the Chrysler lawyer inquired about and produced a letter that I had written **in 1983** to Ford Motor Company executives that he alleged was “severely critical of the managers at the Ford racing program.” For a review of what Chrysler defense lawyers had claimed “severely criticized upper (Ford) management,” please see my letter of December 1983 entitled, “[The Market Effect of Bottom-Up versus Top-Down Motorsports Support](#).”

X As I discussed in my letter to you of [1 January 2013](#), Chrysler Group LLC has suffered virtually no consequences as a result of failing to comply with its obligations under 49 CFR § 573.6, et al.

Endnotes : Page 3 of 3

XI As an example, if a Loman's Auto Group customer had failed to have their Jeep Grand Cherokee oil changed at that dealership and, for unknown reasons, an engine failure occurred; how fast would Loman's have realized detailed knowledge of automobiles, and how quickly would that knowledge be deployed while telling the customer that their powertrain warranty coverage was void?

In favorable "circumstances" the dealerships proclaim their overwhelming expertise and capability, and expect the customer to react to that status. But in the other (legal) circumstance they want us to believe that they are utterly ignorant (?). But what would be the effect on vehicle sales and customer loyalty if, when asked about their automotive expertise, Mr. Loman and/or his dealership staff declared complete ignorance?

- a. Is this the philosophy that National Automobile Dealers Association President Peter Welch intends to promote among its members to enhance "[dealership service profitability](#)"?
- b. Is this the "[status quo](#)" issue referred to by American International Automobile Association Chairwoman Jenell Ross?
- c. Is this "[investment inside the culture of your stores](#)" referred to by Mercedes-Benz USA CEO Steve Cannon?
- d. Is this the reputation that Chairman Sergio Marchionne will require of the new Fiat showrooms as a financial planning precursor to spending billions to complete the purchase of Chrysler stock?

Meanwhile, Loman's Auto Group is completely knowledgeable of the fact that has never been a defendant in a MHE fire death litigation subsequent to an accident involving one of the Ford Explorer vehicles that it sold and continues to sell through its Ford franchise. This legal fact is consistent with the technical facts forwarded to the NHTSA ODI and the NHTSA Office of General Counsel by the Center for Auto Safety on 13May2011:

" . . . a 70 MPH rear impact of a 2003 Ford Taurus into a 1995 Ford Explorer with 70% engagement in which the Explorer suffered no breaching of the fuel system or fuel leakage. This was the test which was attended by staff of the Office of Defects Investigations and the Office of Chief Counsel." (ATTACHMENT 13)

XII For just one example of how the Chrysler legal edict is routinely dictated to the Chrysler dealerships, who then parrot that edict to the unsuspecting public, please see my YouTube upload of the *InsideEdition* investigation:

<http://www.youtube.com/watch?v=qo95CLmZQI8&list=UUBurCYLuI9Li7-SeIIdsuDg&index=22>

Note that in this video, similar to the "circumstances" that are now prevalent in DP09-005, PE10-031 and EA12-005, the following conversation with a Chrysler dealership took place **during at time that it was known by both NHTSA and Chrysler** that innocent people were continually being victimized by a Chrysler vehicle safety defect:

InsideEdition:	Chrysler said that?
Chrysler Dealership:	That's correct.
InsideEdition:	Who told you that?
Chrysler Dealership:	Chrysler!

Note that the above conversation took place in New Jersey. Note also at 6:20 that a Chrysler vehicle safety defect victim (Suzanne Clark) complains of the secretive and special relationship that exists between NHTSA and Chrysler.

XIII In the Jeep Grand Cherokee MHE death case of Kline v Loman, the plaintiff was originally restricted by the Morristown, New Jersey Court to a total of 18 line items. Given the well-known complications and complexities of typical product liability litigation, this muzzling of the plaintiff was/is unjustified, unfair and grossly incompetent.

XIV Please see Endnote VIII.

XV For a discussion of this FMEA issue, please see my letter to you of [9 February 2011](#), cover letter page 3 of 5, Concern #2.

XVI President Obama discloses his bias which favors the WK-Body over the EA12-005 Jeep Grand Cherokee vehicles here:

<http://www.youtube.com/watch?v=cGrOacZvFs4#t=0m40s>

ATTACHMENT 1

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Seven Pages:

Cover letter only of Paul V. Sheridan to Mr. David L. Strickland of 27 August 2012. Section highlights include:

The Ruse of that FMVSS-301 is “rigorous”

The Fraudulent Claim that Skid Plates Make “no difference”

Diversionsary Use of “Skid Plate” Vernacular Versus the Requested/Anticipated Remedy

Entire 27 August 2012 letter available here:

<http://links.veronicachapman.com/Sheridan2Strickland-6.pdf>

DDM Consultants
22357 Columbia Street
Dearborn, MI 48124-3431
313-277-5095

27 August 2012

VIA FEDEX AIRBILL 8007 - 9341 - 5859

Mr. David L. Strickland, Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

Subject: Chrysler Public Statements Regarding Reference – WUSA-9 News Report
Reference: EA12-005 File Update (Chrysler Jeep Fuel Tank System Defect)

Dear Mr. Strickland:

Since the referenced investigation is ongoing, NHTSA declined to offer comments for two WUSA-9 television news broadcasts (hyperlinked):

21 June 2012: [Jeep Grand Cherokee Gas Tank Fires and Deaths Petitioned By Center for Auto Safety](#)

22 June 2012: [Jeep Gas Tank Fires; Chrysler Whistleblower Speaks Out](#)

Chrysler Group LLC refused a live interview but provided comments. Two were presented on 22Jun12. Similar content continues to be forwarded to the Agency with the clear purpose to subvert EA12-005. As a service to the public and the Agency, I offer rebuttal to the Chrysler comments (ATTACHMENT 1).

The Ruse of that FMVSS-301 is “rigorous”

The first broadcasted comment from Chrysler Group LLC stated:

“Chrysler Group conducted rear impact testing without skid plates and the ‘93 – ‘04 Jeep Grand Cherokee exceeded the rigorous federal rear impact test requirements and performance.”

Let us first dispense with the claim that the relevant rear impact test requirements were “rigorous.” At a basic level, one that laypeople appreciate, the original FMVSS-301 was so lax that even the Ford Pinto complied. Unknown to the layperson, the impact test lauded above included the arbitrary condition of impacting fully and only the bumper. The “rigorous federal rear impact test requirements” were no more rigorous for the Jeep Grand Cherokee than that for the Ford Pinto. More importantly, not only is this claim intending to mislead, it promotes the notion that Jeep Grand Cherokee compliance *per se* has investigatory consequence for EA12-005. It does not. This alleged compliance also has no connection to the public’s right to be truthfully informed of vehicle crashworthiness. ¹

In media statements, within litigation, and to the Agency, Chrysler executives and Chrysler/Chrysler-dealership lawyers have continually promoted the notion that “complying with government standards” is the essence of crashworthiness. However, a former NHTSA official will soon testify that it is known that FMVSS does not include all that is needed to protect the public. In 1996 Administrator Dr. Ricardo Martinez declared that FMVSS were “minimums.” During 1992 to 1994 my Safety Leadership Team (SLT) documented that “complying with government standards” was a good starting point, but that [our efforts would focus on FMEA and the real world](#) (ATTACHMENT 3).

The eleven items listed below typify the rigor of the SLT. Having EA12-005 investigatory consequence, these items merely begin to address real world conditions that were/are not specified by FMVSS-301:

1. Common everyday traffic conditions where vehicle separation post rear collision is unlikely or not possible (i.e. restitution values at or close to zero), ⁱⁱ
2. Doors jammed post rear collision making egress difficult-to-impossible,
3. High temperature in the collision components of either or both of the bullet and target vehicles,
4. Electrically charged components/systems in the collision areas of the bullet and target vehicles,
5. Zero direct flame contact tolerance of plastic fuel system materials even when post collision leakages are in-compliance / minimal,
6. Lateral rear offset impact,
7. Angular rear offset impact,
8. Foreseeable collision speeds higher than 30mph,
9. Compact spare versus full-size spare, or no spare present in a rear compartment, ⁱⁱⁱ
10. No car-to-car test regimen where direct collision impact to the fuel tank, regardless of location or tank material on the target vehicle, can ascertain the need for an “impact deflecting structure”,
11. No car-to-car test regimen where mismatched bumper and structural heights between bullet and target vehicles confirm a high probability of a rear underride collision and the need for an “impact deflecting structure”. ^{iv}

With the exception of Item 9, this list is not esoteric to the automotive industry or NHTSA. But when I review this list with the layperson they are shocked and dismayed, especially those that own a Jeep vehicle identified by EA12-005. Ironically and predictably, Chrysler/Chrysler dealership defense experts have promoted some of these items, but doing so as part of their defense strategy (?!).

The Fraudulent Claim that Skid Plates Make “no difference”

The two Chrysler statements are coordinated to undermine EA12-005 by promoting the fallacy that skid plates make “no difference” to the crashworthiness of Jeep vehicles:

“Chrysler Group conducted rear impact testing without skid plates . . .”

“The overwhelming majority of rear impact fires over the life of the ‘93 to ‘04 Jeep Grand Cherokees were the result of high speed, high energy crashes in which a skid plate would have made no difference in the outcome of these tragic events.” ^v

The insidious part of this diversion also involves the issue of alleged compliance of the ZJ-Body. Prior to these statements, but hidden from the public and the Agency, Chrysler was in possession of the expert report by Mr. Neil Hannemann. ^{vi} The configurations listed below are in-evidence regarding the original ZJ-Body FMVSS-301 compliance testing. In general, when the ZJ-Body was configured with a:

- a. compact spare, it did not comply. ^{vii}
- b. full-size spare, it complied in a few tests.
- c. compact or full-size spare, and a trailer tow package, it complied,
- d. skid plate, it always complied regardless of other possible vehicle configurations.

Mr. Hannemann has testified that the two compliance tests, submitted for the 1993 Jeep Grand Cherokee, were invalid. These submissions avoided the “worst case” configurations implied by FMVSS-301. While assessing a \$140,000 fine against Chrysler for a previous invalid FMVSS-301 submission, NHTSA stated:

“Automakers are required to assure that all of their vehicles comply with applicable federal safety standards. While they do not have to test all possible vehicle configurations in order to ensure that all vehicles will comply, they must exercise prudent engineering judgment in selecting the ‘worst case’ configurations for testing. In this case, the configurations tested by Chrysler during development of the 1994 Ram pickup were not in the ‘worst case’ configuration. Moreover, the tests that Chrysler conducted during product development should have heightened Chrysler’s awareness of the potential for a failure of the fuel system in a crash.” (ATTACHMENT 6)

Evidence that the “no difference” claim is bogus also involves the WJ-Body recall of February 2002. Not only was recall A-10 the subject of [ABC News coverage](#), it was central to a hearing of 7 May 2010 wherein I was the only witness. ^{viii} [My letter to Clarence Ditlow at the Center for Auto Safety \(CAS\) of 1 Jun 2010](#) which was forwarded to Chrysler quotes their A-10 notice:

“Those (Jeep Grand Cherokee) vehicles that have already been repaired by having a skid plate installed do NOT require any additional service.” (underline added)

Whether discussing crashworthiness or the minimums of FMVSS-301 compliance, it is well-known to Chrysler that a skid plate has repeatable positive effects. However, the fact that alleged FMVSS-301 compliance of the ZJ-Body is so flimsy, that it may be dependent upon which spare is ordered during original purchase, should be thoroughly investigated by the Agency (Please see Item 9 above). ^{ix}

The Ruse of “high speed, high energy crashes”

The second media comment of 22 June 2012 from Chrysler Group LLC:

“The overwhelming majority of rear impact fires over the life of the ‘93 to ‘04 Jeep Grand Cherokees were the result of high speed, high energy crashes in which a skid plate would have made no difference in the outcome of these tragic events.”

Accidents involving Jeep Grand Cherokees and Jeep Cherokees, wherein the most harmful event (MHE) was fire, have included “high speed, high energy crashes.” Confidentiality agreements aside, the media claim of an “overwhelming majority” is false. Six accident examples include but are not limited to:

Date of Accident	Vehicle	Severe Injury / Death	Plaintiff / Litigation Status
1 Sep 1999	Jeep Grand Cherokee (ZJ)	2 Injuries / 1 Death	Austin / Settled
6 Oct 2001	Jeep Grand Cherokee (ZJ)	1 Severe Injury	Smith / Settled
12 Feb 2006	Jeep Grand Cherokee (ZJ)	2 Injuries / 1 Death	Jarmon / Settled
24 Feb 2007	Jeep Grand Cherokee (ZJ)	1 Death	Kline / Pending
26 June 2011	Jeep Cherokee (XJ)	4 Deaths	Roe / Pending
6 March 2012	Jeep Grand Cherokee (WJ)	1 Death	Walden / Pending

It cannot be overemphasized that these severe-injury/death accidents all provoked one or more of the eleven items that were/are not addressed by FMVSS-301. If a rigorous approach to crashworthiness had been endorsed/adopted by Chrysler executive/engineering management, Items 1 - 11 would have been intrinsic to the Jeep design. Page 4 of [my letter of 9Feb11](#) discussed the fact that the Daimler-influenced WK-Body Jeep Grand Cherokee addressed these items, and as a result has had no fuel system MHE fire accidents, let-alone issues regarding invalid FMVSS-301 compliance. ^x

At best, from the Chrysler defense perspective, the issue of speed or energy does not ameliorate the fuel system defect; it merely increases the probability of confirmation. In any case, the Chrysler media innuendo that they have conducted high speed crash tests with skid plates, and such confirmed that the latter “*would have made no difference in the outcome of these tragic events*” is shameful; they have never conducted any high speed/skid plate impact testing that could be used as the basis of that media claim.

Diversionsary Use of “Skid Plate” Vernacular Versus the Requested/Anticipated Remedy

The Chrysler statements are coordinated to divert attention from what has actually been requested, to the promotional use of the term “skid plate.” This diversion is directed at the layperson and the Agency:

“Chrysler Group conducted rear impact testing without skid plates . . .”

“The overwhelming majority of rear impact fires over the life of the ‘93 to ‘04 Jeep Grand Cherokees were the result of high speed, high energy crashes in which a skid plate would have made no difference in the outcome of these tragic events.”

My use of the term ‘encapsulation’ may have been overlooked/edited by the media and misunderstood by selected plaintiffs. I can assure you that my precise wording is recognized by Chrysler/Chrysler-dealership defense lawyers, and *this* is the context wherein it is purposely avoided in the two statements above.

Specifically, at no time have I requested that an OEM or Mopar “skid plate” be the focus of a recall and retrofit of the Jeep vehicles. [The ABC News report back in 2009](#) contains the following dialogue:

ABC: *This is a potential retrofit for people? Putting it (the fuel tank) inside this steel?*

Sheridan: *Yes, this skid plate does encapsulate the plastic tank. It tends to shield a plastic tank. It will fix some of the accident scenarios, and it may well have protected Mrs. Kline.* ^{xi}

On 3 August 2012, I testified regarding encapsulation vs. the design of the Mopar “skid plate”:

Q: *And what about the encapsulation device that you talked about before. It was manufactured by who?*

Sheridan: *The encapsulation concept, which a skid plate can fulfill. In other words if a skid plate is designed properly, it will completely encapsulate the tank, and I’m emphasizing that with you because the original skid plate that came with the ZJ doesn’t do a complete job of encapsulation. It’s not bad but it’s not everything.*

As a matter of fact, when you look at the Mopar skid plate, it appears as though they assume that a full option package was coming with the Jeep; in other words, trailer hitch and skid plate. And that’s why when you take - - when a trailer hitch is not on a skid plate installed vehicle, you can still see plastic, because the Mopar does not go all the way up and encapsulate the tank in the rear section.

It looks as though they said well, the trailer hitch will do that. But on those vehicles that don’t get a trailer hitch, you want full encapsulation and the one submission I made to NHTSA shows a skid plate design that encapsulates every aspect of the tank. So that’s the general idea of what I’m proposing.

During my 3 August 2012 deposition quoted above I elaborated on at-least 15 occasions regarding the “skid plate” vernacular versus encapsulation. On page 145 I also addressed what would be “acceptable” in terms of the anticipated rigor required by EA12-005 (ATTACHMENT 7).

With [my letter to you of 27 July 2012](#) I enclosed a cd which contained several photographs of a ZJ-Body Jeep Grand Cherokee that had the optional factory-installed Mopar “skid plate,” but without the trailer tow package. I have discussed these “see plastic” issues via email submission to Mr. Larry Hershman of the NHTSA Office of Defects Investigation (ATTACHMENT 8).

Conclusions

1. It is disingenuous to claim that a manufacturer can “*exceed*” the requirements of FMVSS-301; the compliance results are Pass/Fail.
2. It is spurious or untruthful to claim that the original FMVSS-301 was “*rigorous*.”
3. The Chrysler emphasis on FMVSS-301 compliance testing “*without skid plates*” conceals the historical fact that tests conducted with skid plates always passed, but those vehicle configurations that comprise the “worst case” are questionable to the point of potentially being invalid.
4. The data refutes the Chrysler notion that an “*overwhelming majority of rear impact fires . . . in 1993 to 2004 Jeep Grand Cherokees were the result of high speed, high energy crashes.*”
5. The Chrysler claim that “*rear impact fires . . . were the result of high speed, high energy crashes in which a skid plate would have made no difference*” is baseless to the point of being fraudulent.
6. In the context of EA12-005, Chrysler emphasis on the marketing term “skid plate” purposely belies what is requested/required to remedy the lack of crashworthiness on the affected Jeep vehicles.

Current Requests

1. Please request the transcript and exhibits to the deposition of Mr. Judson Estes in Austin v DaimlerChrysler, Westbury Jeep-Eagle, et al. of 26/27 May 2005 (PLEASE SEE ENDNOTE IX).
2. Please request from Chrysler Group LLC all “*high speed, high energy*” impact tests that support their public allegations that “*a skid plate would have made no difference.*” ^{xii}

Again, because content such as that detailed above continues to be forwarded to NHTSA, with the clear purpose of subverting EA12-005, I am offering rebuttal in the context of a public service. Please do not hesitate to contact me at any time.

Respectfully,

Paul V. Sheridan

Attachments

Endnotes

ⁱ Another indication of inaccuracy in the Chrysler comment is the ruse that FMVSS-301 compliance results in gradation. Their promotion that the ZJ-Body “*exceeded*” FMVSS-301 requirements contradicts a well-known rudimentary fact: Compliance with FMVSS is a ‘Pass – Fail’ grading system; the manufacturer is either in compliance or not.

Ironically, in the area of vehicle crashworthiness where it is common practice/knowledge to provide the public with a grade scale (NHTSA NCAP, IIHS offset impact, etc.), Chrysler executives feign ignorance. In his deposition of 15Jun2011, former Chrysler Executive Engineer for Chassis Systems Owen J. Viergutz [testified as follows](#) regarding vehicle crashworthiness:

Q: If I tell you that the crashworthiness is based on the duty of a manufacturer to make a vehicle safe to protect its passengers from enhanced injuries after a collision do you recognize that as a definition of crashworthiness?

A: *Not at all. I don't have a better one necessarily, but I don't understand what that one says. (---)*

Q: So let me just ask you so that I'm clear. During the time when you were Chassis Drivetrain Engineering director and executive engineer in the Engine Engineering of Jeep, Dodge and Truck, you never discussed or knew what the term "crashworthiness" meant?

A: *I'm saying now sitting at this point in time, I don't have any recollection of it, no. Whether I did 20 years ago, I don't know.*

Q: What don't you have a recollection of, what the term meant, or do you have a recollection of talking to someone about it?

Q: Did you have an understanding of your own idea of what the meaning of crashworthiness was when you were executive engineer of Jeep, Dodge and Truck or director of Chassis Drivetrain Engineering?

A: *The difficulty I'm having is with the term "crashworthiness". To me that's somewhat like a term "goodness", that it is too unspecific, too amorphous to really get a handle on what it means. You know, I understand the need to have a vehicle perform in certain adverse conditions, but the term I'm struggling with is the term "crashworthiness". To me it has no specifics behind it. I'm not saying it doesn't; I'm saying to me it doesn't.*

Q: And was that your understanding of how you approached the term "crashworthiness" back in the years from 1987 to '94; you also felt it didn't have any meaning?

A: *I don't -- I'm saying I don't have a way of defining crashworthiness today. I don't know what I thought 20 years ago on the subject.*

During the relevant time, Viergutz was subordinate to the Vice President of Engineering Mr. Francois Castaing (ATTACHMENT 2). On 14March1996 Mr. Castaing [testified as follows](#) regarding his knowledge of crashworthiness:

Q: What does the term crashworthiness mean in terms of design of a product?

A: *I don't know. Tell me.*

Q: You don't know the phrase?!

A: *No.*

Q: Well, let me make sure I'm clear on this. As the chief engineer of the company, are you at all familiar with the use of the phrase crashworthiness by the engineers of the company?

A: *Crashworthiness is so vague that you have to tell me what you intend by that.*

ⁱⁱ The technical literature is polluted with a misuse of the term ‘restitution’ when the context is crashworthiness or accident reconstruction. Frequently the term is incorrectly used by experts to describe approximations or measured material rebound to original dimensionality/shape post collision or post stress/strain. In the context of accident reconstruction the term describes the elasticity or plasticity of the collision event/constituents. In upcoming correspondence I will detail the values of restitution that I have estimated for various Jeep crash tests and accidents.

ⁱⁱⁱ Please see letter section entitled, *The Fraudulent Claim that Skid Plates Make “no difference.”*

^{iv} Please see Attachment 4.

Endnotes Continued

^v It should be noted that these Chrysler comments are offered in the context of a broadcast that was prompted by the news media, the latter was prompted specifically by the NHTSA escalation of PE10-031 to EA12-005. The comments mislead when focused only on the “ ‘93 to ‘04 Jeep Grand Cherokees.” It is well-known that EA12-005 includes three vehicle types: Jeep Grand Cherokee, Jeep Liberty and Jeep Cherokee. It is well-known to Chrysler that the Jeep Cherokee (XJ) is also the subject of [low speed crashes and fires leading to injury and death](#) (ATTACHMENT 5).

^{vi} As of this letter Chrysler Group LLC is also in possession of [the Neil Hannemann deposition of 29 June 2012](#).

^{vii} This “worst case” was the configuration of the 1996 Jeep Grand Cherokee driven by Mrs. Susan Kline on 24 Feb 2007. The fact that FMVSS-301 compliance of the ZJ-Body was *so* flimsy, that it may have depended upon which spare was ordered, was an issue that was not discussed by the selling dealership (Loman’s Auto Group) at the time of the sale to Kline.

^{viii} The Kline vs. Butler, et al. hearing transcript of 7 May 2010 is available [here](#).

^{ix} The truth is that Chrysler has probably known about the non-valid compliance submission issue since the introduction of the ZJ-Body in August 1992. However, there is no doubt that Chrysler became aware of this issue not later than 26/27 May 2005 at the deposition of Mr. Judson Estes. For the two-day deposition transcript and all deposition exhibits, including the internal compliance submission test reports, please contact (Discovery counsel for Chrysler Group, LLC):

M. Sheila Jeffrey, Esquire
Miller, Canfield, Paddock & Stone PLC
101 North Main Street, Seventh Floor
Ann Arbor, Michigan 48104
Tel: 734-663-2445
Fax: 734-747-7147

^x Please note that beginning with the Daimler-influenced 2005 WK-Body version of the Jeep Grand Cherokee a “skid plate” that encapsulated the mid-mounted polyethylene fuel tank was offered as standard equipment. Please see Jeep television ad [here](#).

^{xi} Note that my “this skid plate” interview quote is not referring to the Mopar unit.

^{xii} If such testing exists, and has not been disclosed to plaintiffs in existing or upcoming litigation, then the appropriate remedies will be sought in those forums. However if such testing does not exist, as I suspect, then their media comments must be challenged and exposed as fraudulent.

ATTACHMENT 2

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary
Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Two Pages

The Northern Virginia Daily news report; on-scene eyewitness to the October 2012 Jeep Grand Cherokee fire death, Jenelle Embrey stated:

"They were all alive. They were very much alive."

"(The Jeep turned into) a ball of fire. They burned up right there in front of us."

Fiery I-81 crash claims two Staunton residents

^ Posted Oct. 7

By Alex Bridges

The Jeep Cherokee that was involved in a three-vehicle crash in which two people were killed Friday on Interstate 81 in Frederick County turned into a "ball of fire," according to the driver of one of the cars that was hit.

Jenelle Embrey, 45, of Linden said the tractor-trailer struck the Jeep while traveling "full speed," and continued to travel forward past the 2002 Chrysler PT Cruiser that she was driving before stopping.

"I can't believe we lived," Embrey said.

Heather Lee Santor, 39, and Acoye M. Breckenridge, 18, both of Staunton, died at the scene of the crash on Interstate 81 near Kernstown, according to state police spokesman Sgt. F.L. "Les" Tyler.

Trooper B.G. Davis also issued a summons for reckless driving to Lance W. Anderson, 43, of Hudson, S.D., identified as the driver of tractor-trailer that caused the fatal crash, Tyler said Saturday afternoon.

The trooper reported driver inattention contributed to the crash.

The 2007 Peterbilt tractor-trailer rear-ended the 1998 Jeep Cherokee, driven by Santor, which had stopped in traffic in the right, southbound lane of Interstate 81 south of Va. 37 at approximately 7:48 p.m., according to Tyler. The Jeep caught fire after the collision.

Santor and Breckenridge, a passenger in the Jeep, died at the scene, according to Tyler. A second passenger in the Jeep, Zackary Santor, 18, of Staunton, was taken by ambulance to Winchester Medical Center, Tyler said.

The collision also had pushed the Jeep into the rear of the Chrysler driven by Embrey, Tyler said. The force of the collision sent both the tractor-trailer and the Chrysler into the left lane. the Chrysler spun and struck the side of the tractor-trailer, according to Tyler.

Embrey recalled the experience by phone Saturday night and noted that her father, Harry Hamilton Jr., 65, a real estate agent in Kernstown, rode as a passenger in the Chrysler he bought just a few days before the crash, Embrey told the Daily she and her father drove from his home near the Va. 37 interchange and had entered the interstate only minutes before the collision sent the Chrysler spinning, striking the tractor-trailer.

Embrey said she had stopped for traffic in a construction zone, giving plenty of distance between the Chrysler and a flatbed truck in front of her vehicle.

The events which occurred after all vehicles stopped left Embrey shaking even 24 hours later. Embrey recalled seeing her father run to the Jeep and try to pull the victims from the vehicle before it caught fire.

"They were all alive," Embrey said. "They were very much alive."

Hamilton then pulled Zackary Santor from the Jeep, Embrey recalled.

"[Hamilton] just ripped the window right out of the door," she said. "He was trying to get the others out. ... and he wasn't able to cut the seat belt."

As Hamilton shouted to the occupants inside the Jeep, Embrey said she could see and hear the other teen passenger screaming, but the driver appeared barely conscious. Embrey said she then heard a popping noise coming from the Jeep and the whole thing turned into "a ball of fire."

"They burned up right there in front of us," Embrey said.

Embrey expressed amazement at her father's efforts in spite of the danger and recalled shouting to him to get away from the Jeep when the vehicle caught fire.

Neither Anderson nor Embrey reported injuries, according to Tyler. Embrey recalled her father hurt his hands from pulling out the car door window.

All people involved in the crash were wearing seat belts at the time of the incident, Tyler said. Zackary Santor's condition was not known Saturday.

Members of the state police crash reconstruction and motor carrier safety teams assisted at the scene.

The crash caused traffic to back up for miles north of the scene as police closed both southbound lanes. Fire and rescue workers responded to the crash.

Contact staff writer Alex Bridges at 540-465-5137 ext. 125, or abridges@nvdaily.com

18 Comments

ATTACHMENT 3

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Three Pages Total:

First Two Pages

Deposition Exhibit #21 for former Chrysler Chairman Robert Eaton, and deposition Exhibit #3 for former Chrysler Vice Chairman Robert A. Lutz. Please note that the first paragraph states:

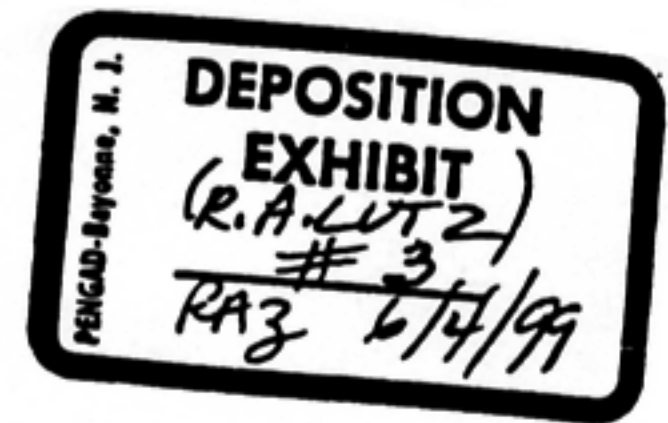
“NHTSA has agreed that they will deny all FOIA requests to place their investigative files, including the crash test video, on the public record, and that the Department of Justice will defend any lawsuits seeking to compel production under FOIA.”

Paragraph 3 states:

“Chrysler controls publication of its actions with the following provisions . . . Letter from (NHTSA Administrator) to Chrysler and NHTSA press statement praise Chrysler action as fully satisfying all of NHTSA’s concerns, and state that Chrysler is a safety leader . . . NHTSA officials acknowledge that owners should not be concerned over the delayed implementation of the action . . .”

Last Page

Former internal Chrysler Product Litigation Attorney Lewis Goldfarb was part of gala for a former Chrysler legal employee, Jacqueline Glassman, upon her “revolving door” appointment to NHTSA as Acting Administrator.



MINIVAN LATCH ISSUE

Proposed Agreement with NHTSA

1. Crash Test Video and the Public Record:

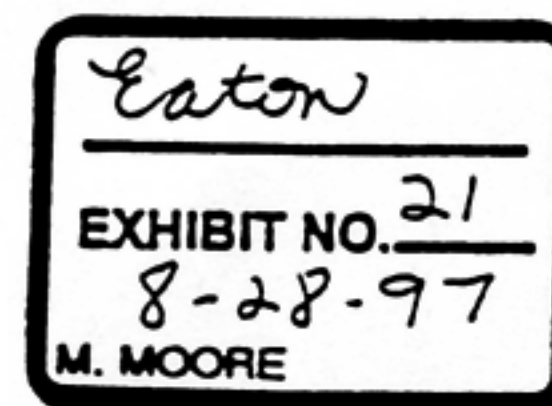
- NHTSA has agreed that they will deny all FOIA requests to place their investigative files, including the crash test video, on the public record and that the Department of Justice will defend any lawsuits seeking to compel production under FOIA.

We would agree with NHTSA that their engineering analysis will remain open while we conduct the service campaign to provide them additional bases to argue that release of the materials would interfere with their investigation.

- The Department of Justice says there is less than a 50/50 chance of keeping the video off the record for the full duration of the investigation, i.e. the campaign, if there is a court ruling. Given the possibility that a lawsuit could be filed at any time, they anticipate that the legal process would take at least four months, regardless of the outcome.

2. Service Action Only - No Recall: NHTSA has agreed that a Chrysler service campaign would fully satisfy all of their concerns and they would give full public support to such an effort. The critical elements that differentiate the service campaign from a recall (mostly reflected in the two attached letters) are as follows:

- no admission of defect or safety problem;
- stated purpose of the campaign - to ensure peace of mind in light of media coverage;
- campaign does not count as a NHTSA action - not included in NHTSA recall numbers, no Part 573 or Part 577 letters;
- statements to owners, the public and NHTSA assert that no defect has been found; and
- NHTSA acknowledges that replacement latch is not a 100% solution.



3. **Chrysler Announcement:** Chrysler controls publication of its action with the following provisions:

- Chrysler goes first with its own statement and reads approved NHTSA statement supporting Chrysler's action;
- Chrysler characterizes campaign as done solely to ensure the peace of mind of its owners, i.e. "your concern is our concern";

- Letter from Martinez to Chrysler and NHTSA press statement praise Chrysler action as fully satisfying all of NHTSA's concerns and state that Chrysler is a safety leader;

- NHTSA officials acknowledge publicly that there has been no finding of defect and that there will be none; and

- NHTSA officials acknowledge that owners should not be concerned over the delayed implementation of the action and that they can best protect themselves by keeping seat belts buckled at all times.

4. **Additional Provisions:** The following points have been requested by NHTSA and appear to be reasonable:

- The letter to owners makes reference to the NHTSA hot line phone number;
- Latch replacement will be offered as part of any routine minivan servicing (once replacement latches are available);
- Chrysler will submit six quarterly reports on the progress of the campaign (helps to support defense of FOIA requests); and
- NHTSA can make reference to the service campaign in response to owner inquiries.

Dear Friends:

As you probably know, Jackie Glassman has recently been appointed Chief Counsel of the National Highway Traffic Safety Administration. We cordially invite you to join us for a reception in Jackie's honor:

Thursday, March 14, 2002

5:30 pm – 7:30 pm

**Fulbright Center
Hogan & Hartson L.L.P.
555 13th Street, N.W.
13th Floor – West Tower
Washington, DC**

R.S.V.P. to Angela Minor at arminor@hhlaw.com.

ATTACHMENT 4

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

One Page:

Superior Court of New Jersey (Morris County) court order denying Chrysler dealership defense motion which requested dismissal of punitive charge prior to trial in Kline v Loman's Auto Group, dated 21 March 2012.

GRIECO, OATES & DE FILIPPO, LLC
ATTORNEYS AT LAW
414 EAGLE ROCK AVENUE
SUITE 200
WEST ORANGE, NEW JERSEY 07052
Telephone No. (973) 243-2099
Attorneys for the Plaintiff(s)

FILED

MAR 21 2012

DAVID B. RAND, P.J.C.V.
JUDGE'S CHAMBERS
MORRIS COUNTY COURTHOUSE

THOMAS KLINE, AS ADMINISTRATOR :
AD PROSEQUENDUM OF THE HEIRS :
AT LAW OF SUSAN MORRIS KLINE, :
(DECEASED), AS ADMINISTRATOR :
OF THE ESTATE OF SUSAN MORRIS :
KLINE, and THOMAS KLINE, :
INDIVIDUALLY, :

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION

MORRIS COUNTY
DOCKET NO. MRS-L-3575-08

Plaintiff(s),

CIVIL ACTION

v.

ORDER

VICTORIA MORGAN-ALCALA, :
CARLOS ALCALA, NATALIE RAWLS, :
DAIMLER CHRYSLER CORPORATION, :
A/K/A/ CHRYSLER CORPORATION, :
LOMAN AUTO GROUP, CHRYSLER :
GROUP, LLC (For Discovery Purposes), :
JOHN DOES, A THROUGH Z, (Names :
Being Fictitious), ABC CORPORATIONS, :
1 THROUGH 100, (Names Being Fictitious):

Defendant(s)

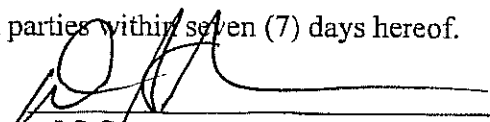
THIS MATTER having been opened to the Court by Motion of Callahan and Fusco, LLC, attorneys for Loman Auto Group, and opposition having been filed by Grieco, Oates & DeFilippo, LLC, attorneys for Plaintiff(s) for an Order to Dismiss plaintiff's punitive damages claim, and the Court having considered this application as well as oral argument on March 16, 2012, and for good cause shown;

IT IS on this 21ST day of March 2012;

ORDERED that, should Defendant Loman Auto Group's motion to dismiss plaintiff's claim for punitive damages is hereby DENIED WITHOUT PREJUDICE; and it is further

ORDERED that a copy of the within Order be served upon all parties within seven (7) days hereof.

Reasons for this order were orally
placed on the record on 3/16/2012


J.S.C. **DAVID B. RAND, P.J.CV.**

ATTACHMENT 5

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Three Pages:

Autopsy Report for Mrs. Susan Kline, victim of MHE fire-death in 1996 Jeep Grand Cherokee.

Ross I.S. Zbar, MD, FACS

Diplomate of the American Board of Plastic Surgery
Member, American Society of Plastic Surgery
Fellow, Cleft Palate Craniofacial Association
Fellow, American College of Surgeons

Plastic and Reconstructive Surgery

August 09, 2010

Angel DeFilippo
Grieco, Oates & DeFilippo, LLC
414 Eagle Rock Avenue, Suite 200
West Orange, NJ 07052

Dear Ms DeFilippo,

Re: Susan Morris

This report is authored after review of the following documents which were supplied by your office: County of Morris Office of Medical Examiner Autopsy Report for Susan Morris; Forensic Dental Exam; Death Certificate; Police Report; Witness statement of Peter Moodie and; photographs.

There are particularly disturbing findings in the autopsy report indicating that Ms Morris was alive and conscious immediately following the motor vehicle accident (MVA) which resulted in the explosion of her automobile.

On page four of the State Police report filed by Trooper 6598, it is noted that Ms Morris (vehicle #2) was found "laying across the front passenger seat." Either she could have been: (1) thrown following the impact unconscious versus dead or; (2) electively tried to escape her burning automobile. Both the physics of a rear end impact and review of the photographs clearly underscore the latter as the likely scenario.

The autopsy report notes a carboxyhemoglobin level (COHb) of only 29 as measured by NMS.labs. Fire releases carbon monoxide (CO) which is bound by the hemoglobin in red blood cells in lieu of oxygen. Mental and muscular deterioration generally occur at a COHb level of 30 or greater. This means that Ms Morris was indeed actively breathing after the fire started (ie - she inhaled CO and was alive). Furthermore, when she stopped breathing (ie - died), her COHb was not so elevated that she slipped into an unconscious state and slowly suffocated, thus elevating her COHb level even higher. Rather her thermal injuries were so extensive that she most likely died from these and subsequently stopped breathing. Based on her COHb level, she was not given the opportunity to "slip into unconsciousness" but rather was "cooked alive."

200 Highland Avenue Glen Ridge, New Jersey 07028

TEL: (973) 743-4800

FAX: (973) 743-3111

Ross I.S. Zbar, MD, FACS

Diplomate of the American Board of Plastic Surgery
Member, American Society of Plastic Surgery
Fellow, Cleft Palate Craniofacial Association
Fellow, American College of Surgeons

Plastic and Reconstructive Surgery

Page 2 of 3: Morris

There is no evidence in the autopsy report of any other organ injury, but for thermal damage and its sequela. The blunt trauma to the chest with "undisplaced rib fractures" [sic] is of no consequence.

Further evidence of her breathing after impact is supplied by soot deposition in her larynx and trachea as well as her lungs. The autopsy report notes "severe hyperemia" and "congestion" – evidence of the body's reaction to breathing noxious fumes into the delicate internal lining of the body's respiratory system. Responses to these unpleasant foreign bodies include severe and spasmodic coughing and eye irritation.

The heat fractures in the extremities as described in the autopsy report are a result of such high temperatures that the muscle shrinks as it is cooked and pulls at the bony insertions while the outer cortex of bone is weakened from thermal injury. The heat fractures in the skull are a result of increased intracranial pressure as the escaping steam from the cooked brain blows out the calvarial bones. Heat amputations of digits which are described in the report are a result of such high temperature that the skin, muscle, tendons and bone are simply carbonized and turned into dust. Fortunately, these terribly tragic events were completed after Ms Morris' death, however; these certainly started before she died. When combined with the COHb level indicating definite but not terminal CO exposure, the proximate cause of death even more so is likely thermal injury.

Thermal injury is well known as perhaps the most painful injury from which to recover. ~~The pain is caused by raw exposure of nerves to environmental stimuli (due to absence of skin/soft tissue).~~ Even light touch can be horribly painful. Any person who has experienced a first or second degree burn can attest to the severe pain which results. The medical literature is replete with manuscripts describing medical management of these suffering patients. As the burn becomes deeper (third and fourth degree), ironically the pain decreases since the nerves which propagate the signal to the brain are themselves eliminated by the thermal injury. Simply stated, the pain is well known as excruciating.

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Plastic and Reconstructive Surgery

Page 3 of 3: Morris

The burns that Ms Morris suffered went through an evolution. There was both direct flame as well as heat injury. Her entire body was exposed to all stages of burn – progressing from first through fourth degree burns. These finally became so severe that heat fractures occurred. There is no way to know exactly when she died, but she certainly was exposed to severe pain.

Since she was conscious following this MVA, the fear and knowledge of imminent death is another critical factor in perception of pain. Once again, the medical literature is replete with studies documenting how anxiety increases the level of pain experienced.

In summary, the autopsy report provides evidence that Ms Morris was conscious after impact; moved to the passenger seat in order to attempt escape; and died as a result of acute thermal injury. She did not suffer any other injuries that would indicate she was unconscious or thrown out of the driver's seat at the time of impact. Moreover, the physics of a rear impact would not produce a scenario where she could be thrown into the passenger's seat. Rather it is most likely that Ms Morris was conscious after her car was hit. With flames lapping throughout the vehicle, she climbed into the passenger seat trying to escape immolation. She suffered direct pain from flames and heat as her skin melted away. The first and second degree burns throughout her entire body would be excruciatingly painful. She would be racked by coughing due to the soot and her eyes would be tearing excessively as well. Since she was presumably conscious, her anxiety would actually increase the severity of her pain and the horrific nature of her situation. A reasonable estimate would be that she was alive for perhaps three to five minutes. Death was a merciful escape.

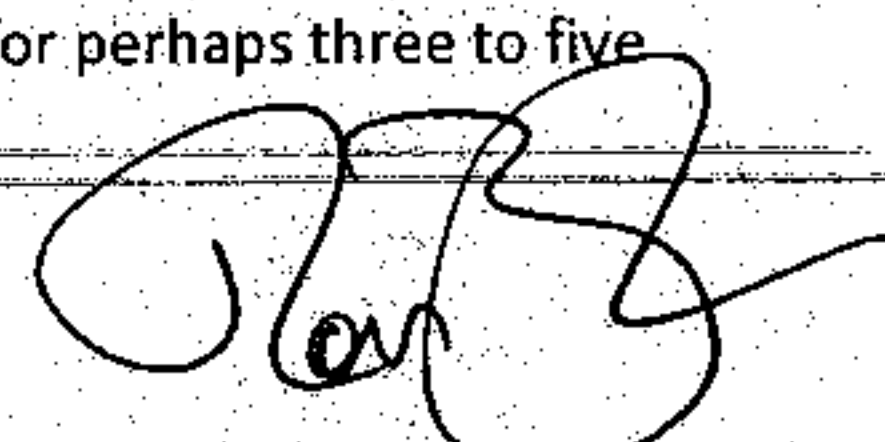
References:

Laterjet J and Choinere M. Pain in Burn Patients. Burns 1995 (21); 344.

Perry S, Heidrich G and Ramos E. Assessment of Pain by Burn Patients. J of Burn Care and Rehabilitation. 1981 (2); 322.

Ploghaus A et al. Exacerbation of Pain by Anxiety is Associated with Activity in a Hippocampal Network. J Neuroscience. 2001 (21); 9896.

Shkrum M and Ramsay D. Forensic Pathology of Trauma. 2007 Humana Press, Totowa, NJ 07512.



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ATTACHMENT 6

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Three Pages:

Paul V. Sheridan discovery submission to plaintiff in Kline v Loman's Auto Group in support of punitive phase of litigation.

Paul V. Sheridan

From: "Paul V. Sheridan" <pvsheridan@wowway.com>
To: "Angel DeFilippo" <adefilippo@godlawllc.com>
Cc: "Karen Feldman" <Karbar1956@aol.com>; "Vanessa Friedhoff" <vfriedhoff@godlawllc.com>
Sent: Monday, June 18, 2012 8:35 PM
Attach: 12-panel.pdf; JGC Fin Request-1.doc
Subject: Discovery Request on Fusco

Two attached. Draft details in Word. PDF is sample if you wish to attached to your cover ltr to Fusco/Jeffrey.

1. Please provide non-redacted versions of the following documents which were originally created by the now-bankrupt Chrysler LLC:

All 10-panel, 11-panel and/or 12-panel charts that were created prior to and during the manufacture and sale of the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All financial planning documents that contain or relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All financial status documents that contain or relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All internal memos or documents **that contain financial** data that relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All Product Planning Sub-Committee meeting minutes that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain financial data regarding the 1996 ZJ-Body.

All Product Planning Committee (PPC) meeting minutes that were created prior to and during the manufacture and sale of the 1996 ZJ-Body vehicle, which was marketed as the Jeep Grand Cherokee, that contain financial data regarding the 1996 ZJ-Body.

All Product Planning Sub-Committee meeting presentations or papers that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain or relate in any way to the 1996 ZJ-Body vehicle.

All Product Planning Committee (PPC) meeting presentations or papers that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain or relate in any way to the 1996 ZJ-Body vehicle.

All Product Planning Sub-Committee meeting presentations or papers that were created prior to and during and after the manufacture and sale of the 1996 ZJ-Body, that document in any way the direct and formal communications between Chrysler LLC and its dealerships.

All Product Planning Committee (PPC) meeting presentations or papers that were created prior to and during and after the manufacture and sale of the 1996 ZJ-Body, that document in any way the direct and formal communications between Chrysler LLC and its dealerships.

2. Please provide the following then-projected financial data and/or actual historical financial data, which was created prior to and documented during the manufacture and sale of the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee, by the now-bankrupt Chrysler LLC:

Tracked Vehicle Cost

Tracked Vehicle Gross Variable Margin

Tracked Vehicle Net Margin

Average Vehicle Cost

Average Vehicle Gross Variable Margin

Average Vehicle Net Margin

Tracked Vehicle Dealership Delivered Cost

Tracked Vehicle Dealership Gross Variable Margin

Tracked Vehicle Dealership Net Margin

Average Vehicle Dealership Delivered Cost

Average Vehicle Dealership Gross Variable Margin

Average Vehicle Dealership Net Margin

Base Model Dealership "Base Price"

Tracked Vehicle MSRP

Average Vehicle MSRP

"Showroom Typical" MSRP

ATTACHMENT 7

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Seven Pages:

Chrysler Corporate Discovery Counsel rejection response to plaintiff's discovery request for documents/data that support punitive phase of Kline v Loman's Auto Group litigation.

GOLDBERG SEGALLA, LLP
902 Carnegie Center
Suite 100
Princeton, New Jersey 08540
(609) 986-1300
Attorneys for Defendant, Chrysler Group LLC

THOMAS KLINE, AS : SUPERIOR COURT OF NEW JERSEY
ADMINISTRATOR AD : LAW DIVISION
PROSEQUENDUM OF THE HEIRS AT :
LAW OF SUSAN MORRIS KLINE, : MORRIS COUNTY
(DECEASED), AS ADMINISTRATOR : DOCKET NO. MRS-L-3575-08
OF THE ESTATE OF SUSAN MORRIS :
KLINE, and THOMAS KLINE, :
INDIVIDUALLY, :
: CIVIL ACTION

Plaintiff(s),

v.

VICTORIA MORGAN-ALCALA, : CHRYSLER GROUP LLC'S
CARLOS ALCALA, NATALIE RAWLS, : RESPONSES TO PLAINTIFF'S
DAIMLER CHRYSLER : NOTICE TO PRODUCE
CORPORATION A/K/A CHRYSLER : DOCUMENTS, RECORDS AND
CORPORATION, LOMAN AUTO : INFORMATION PURSUANT TO
GROUP, CHRYSLER GROUP LLC (For : RULE 4:18-1
Discovery Purposes) JOHN DOES A :
THROUGH Z, (Names being Fictitious), :
ABC CORPORATIONS, 1 THROUGH :
100, (Names Being Fictitious) :
Defendant(s).

Chrysler Group LLC responds to Plaintiff's Notice to Produce Documents,

Records and Information Pursuant to Rule 4:18-1 as follows:

PRELIMINARY STATEMENT

Chrysler Group LLC did not design, manufacture or test the vehicle at issue, a 1996 Jeep Grand Cherokee (ZJ), VIN 1J4GZ58S9TC401311. Chrysler Corporation had overall responsibility for the design, manufacture and testing of the 1996 Jeep Grand Cherokee (ZJ), VIN 1J4GZ58S9TC401311. Effective November 17, 1998, Chrysler Corporation changed its name to DaimlerChrysler Corporation. It was a predecessor to Chrysler LLC. On April 30, 2009, Chrysler LLC, subsequently known as Old Carco LLC, and certain domestic direct and indirect subsidiaries (the 'Debtors'), filed voluntary petitions for relief in the United States Bankruptcy Court for the Southern District of New York under Chapter 11 of Title 11 of the United States Code, which cases are being jointly administered and are currently pending before the Honorable Stuart M. Bernstein as Case No. 09-50002.

By Order dated June 1, 2009, the Bankruptcy Court issued an Order (I) Authorizing the sale to an entity now known as Chrysler Group LLC of substantially all of the Debtors' assets free and clear of all liens, claims, interests and encumbrances, (II) Authorizing the assumption and assignment of certain executory contracts and unexpired leases in connection therewith and related procedures, and (III) Granting related relief. The sale closed on June 10, 2009.

These responses are made solely for the purpose of this action. Each response is made subject to all objections as to competence, materiality, relevance or other objection as to admissibility that may apply in the event that any such response, or the information

contained therein, is sought to be used in court. Chrysler Group LLC ("Chrysler Group") expressly reserves all such objections.

RESPONSES TO NOTICE TO PRODUCE DOCUMENTS

REQUEST NO. 1: 1. Please provide non-redacted versions of the following documents which were originally created by the now-bankrupt Chrysler, LLC:

All 10-panel, 11-panel and/or 12-panel charts which were created prior to and during the manufacture and sale of the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All financial planning documents that contain or relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All financial status documents that contain or relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All internal memos or documents that contain financial data that relate in any way to the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee.

All Product Planning Sub-Committee meeting minutes that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain financial data regarding the 1996 ZJ-Body.

All Product Planning Committee (PPC) meeting minutes that were created prior to and during the manufacture and sale of the 1996 ZJ-Body vehicle, which was marketed as the Jeep Grand Cherokee, that contain financial data regarding the 1996 ZJ-Body.

All Product Planning Sub-Committee meeting presentations or papers that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain or relate in any way to the 1996 ZJ-Body vehicle.

All Product Planning Committee (PPC) meeting presentations or papers that were created prior to and during the manufacture and sale of the 1996 ZJ-Body, which was marketed as the Jeep Grand Cherokee, that contain or relate in any way to the 1996 ZJ-Body vehicle.

All Product Planning Sub-Committee meeting presentations or papers that were created prior to and during and after the manufacture and sale of the 1996 ZJ-Body, that document in any way the direct and formal communications between Chrysler LLC and its dealerships.

All Product Planning Committee (PPC) meeting presentations or papers that were created prior to and during and after the manufacture and sale of the 1996 ZJ-Body, that document in any way the direct and formal communications between Chrysler LLC and its dealerships.

RESPONSE NO. 1: Chrysler Group objects to this request as untimely given the fact that the discovery cut-off was June 29, 2012 as set forth in Judge Rand's Order of April 16, 2012. Further, as Plaintiff's counsel repeatedly stated in her Motion for Spoliation Sanctions to Bar the Expert Report of Jack B. Ridenour, in granting the motion to extend the discovery deadline, the extension was "not a carte blanche to engage in broad initial discovery, this is a focused thing... We've set the fences." Plaintiff's Brief in Support of Motion, pp. 3 and 4. Counsel for Plaintiff further stated that, "with the goal of limiting discovery, [Judge Rand] and counsel discussed those specific things that needed to be completed in the case which included: the deposition of Robert Banta, the depositions of plaintiff's experts, and the deposition of someone knowledgeable about the sales and servicing of Jeep Grand Cherokees." Plaintiff's Brief in Support of Motion, p. 5. Furthermore, the April 16, 2012 Order extending the discovery deadline was specifically limited to the categories of discovery as stated above, in addition to requiring the continued deposition of David Dillon. Accordingly, Chrysler Group further objects to this discovery, which seeks ten broad categories of documents, because it goes beyond the narrow discovery permitted by the Court's Order of April 16, 2012.

Without waiving any objection, after reasonable and diligent search and inquiry, Chrysler Group has not located 10-panel, 11-panel, and/or 12-panel charts that were created prior to and during the manufacture and sale of the 1996 Jeep Grand Cherokee (ZJ). Further, after reasonable and diligent search and inquiry, Chrysler Group has not located documents generated by any "Product Planning Committee" or "Product Planning Sub-Committee" such as those sought in this request.

Chrysler Group further objects to this request as overly broad, unduly burdensome, and because it seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

REQUEST NO. 2: Please provide the following then-projected financial data and/or actual historical financial data, which was created prior to and documented during the manufacture and sale of the 1996 ZJ-Body vehicle which was marketed as the Jeep Grand Cherokee, by the now-bankrupt Chrysler LLC:

Tracked Vehicle Cost

Tracked Vehicle Gross Variable Margin

Tracked Vehicle Net Margin

Average Vehicle Cost

Average Vehicle Gross Variable Margin

Average Vehicle Net Margin

Tracked Vehicle Dealership Delivered Cost

Tracked Vehicle Dealership Gross Variable Margin

Tracked Vehicle Dealership Net Margin

Average Vehicle Dealership Delivered Cost

Average Vehicle Dealership Gross Variable Margin

Average Vehicle Dealership Net Margin

Base Model Dealership 'Base Price'

Tracked Vehicle MSRP

Average Vehicle MSRP

'Showroom Typical' MSRP

RESPONSE NO. 2: Chrysler Group objects to this request as untimely given the fact that the discovery cut-off was June 29, 2012 as set forth in Judge Rand's Order of April 16, 2012. Further, as Plaintiff's counsel repeatedly stated in her Motion for Spoliation Sanctions to Bar the Expert Report of Jack B. Ridenour, in granting the motion to extend the discovery deadline, the extension was "not a carte blanche to engage in broad initial discovery, this is a focused thing...We've set the fences." Plaintiff's Brief in Support of Motion, pp. 3 and 4. Counsel for Plaintiff further stated that, "with the goal of limiting discovery, [Judge Rand] and counsel discussed those specific things that needed to be completed in this case which included: the deposition of Robert Banta, the depositions of plaintiff's experts, and the deposition of someone knowledgeable about the sales and servicing of Jeep Grand Cherokees." Plaintiff's Brief in Support of Motion, p. 5. Furthermore, the April 16, 2012 Order extending the discovery deadline was specifically limited to the categories of discovery as stated above, in addition to requiring

the continued deposition of David Dillon. Accordingly, Chrysler Group further objects to this discovery, which seeks 16 broad categories of documents, because it goes beyond the narrow discovery permitted by the Court's Order of April 16, 2012.

Chrysler Group also objects to this request as vague, overly broad, unduly burdensome, and because it seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Dated: July 24, 2012

GOLDBERG SEGALLA LLP



Robert M. Cook, Esq.
902 Carnegie Center, Suite 100
Princeton, New Jersey 08540-6227
(609) 986-1300
Attorneys for Chrysler Group LLC

ATTACHMENT 8

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Fifteen Pages:

Pre-Product Planning Committee meeting minutes for 27 January 1994, relating to the program review of the 1997 Jeep Cherokee XJ-Body (aka Product Planning Sub-Committee).

PRODUCT PLANNING COMMITTEE

Lecture Hall "2A" (PLEASE NOTE)
Chrysler Technology Center - Education Center
PRE-PPC MEETING

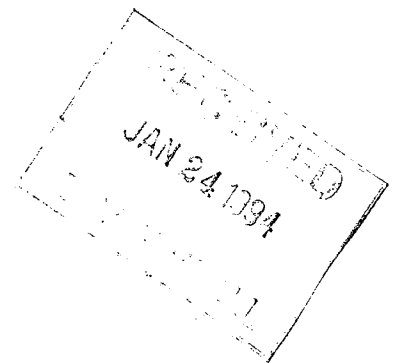
8:30 - 9:30 a.m.
Thurs. Jan. 27th

AGENDA ITEM

PRESENTER

1997 XJ PROGRAM APPROVAL

Tony Richards



J. W. RICKERT
REV.: Jan. 23, 1994
776-2940

1997 XJ
Program Approval

Pre-PPC

January 27, 1994

1/20/94

1997 XJ Program

Pre-PPC, 1/27/94

Purpose

Program Approval of the 1997 XJ Program for the domestic and international markets.

Program Goal & Objectives

The goal of the 1997 XJ program is to maintain XJ sales volumes and market share. The objectives to support this goal are to keep XJ the value leader in the Small Sport Utility Segment and the affordable classic of the Jeep brand, address quality and customer satisfaction issues, and meet regulatory requirements.

Domestic Program

• Market Overview

The Small Sport Utility market segment has been growing steadily and is projected to reach approximately 1.2 million units by 1997. Along with the growth of the segment all of the significant competitors are expected to make major changes to their products by 1996.

XJ sales have been very strong since the repositioning in 1993 with the market opportunity created by appealing to younger, less affluent buyers. The 1993 XJ sales were 127,000 units with a market share of 12.6%. Although the Business Plan volumes show a decline in XJ market share to 8.7% by 1999, the potential for XJ to hold a 12.6% market share is being evaluated.

• XJ Product Assessment

With the XJ as the price leader in the segment and the enduring appeal of its traditional character, sporty performance, and compact size, the key to maintaining XJ sales is to meet customer expectations for quality and reliability, comfort and convenience, and safety.

Market research has confirmed that customers prefer the traditional appearance of the XJ. However, there will be a modest exterior freshening that supports quality improvement actions and complements the interior changes.

International Program

• Market Overview

Cherokee competes effectively in International markets, offering a choice of right or left hand drive configurations available with gas or diesel engines. While further sales growth is expected in newly launched right-hand-drive markets, existing left-hand-drive markets are expected to remain at their current level of sales only through ongoing repositioning efforts. Most real sales opportunities lie in developing BUX markets such as South America and Eastern Europe, and in bringing new CKD opportunities to fruition.

Total International sales for BUX and CKD are projected to increase to 64,000 units by 1997, up from 45,000 units in 1993.

• Product Assessment

International customer concerns are generally consistent with those of U.S. customers, and as such are addressed in the core program. Funding is being requested for continuation of the present model line-up, as well as several unique quality and feature enhancements.

Product Actions

The key product actions for the 1997 XJ are shown below along with unique International items that are incremental to the Domestic program (details in Attachment 1). These product actions have been developed to improve quality and reliability while also providing product freshening.

DOMESTIC PROGRAM

Exterior

- New grille & grille opening panel
- New bumper, bumper end caps, fenders, and fender flares
- New liftgate and taillamps
- New bodyside moldings, aluminum wheels
- Ventless front door glass, new mirrors

Interior

- New instrument panel with PAB and new column/wheel
- New console and door trim

Other

- Tool refurbishment
- Quality improvements

INTERNATIONAL PROGRAM

- Maintain carryover features (homologation, right-hand-drive, diesel)
- Military support program

Program Plan

The 1997 XJ program has focused on quality and reliability improvement with objectives for functional targets, performance, and fuel economy at carryover levels (see Attachment 2). Key points on the quality targets, production plan and program timing are summarized below.

• **Quality/Reliability**

The XJ team recommends a J.D. Power IQS target for XJ that is based on its position as the lowest priced entry in the segment and placing it in a class of Compact Sport Utility vehicles that is different from the premium entries of ZJ, Explorer, and 4 Runner. The target is based on IQS projections for the lower priced competitors of S Blazer and 4 door Sidekick, but with sufficient reach to ensure a strong focus on maximizing quality improvement (see Attachment 3). The proposed target is shown below along with the present XJ IQS forecast.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>2000</u>	<u>Remarks</u>
<u>XJ IQS Rating</u>						
Corporate Target, 8/93	169	120	86	76	52	ZJ target
Proposed Target, 2/94	169	152	137	110	94	Entry level target
Forecast	176	158	152	117	109	

The 1997 XJ program is being implemented by a Product Strategy Team and three Product Assurance Teams that will focus on the critical systems and components for the major change areas of Body, Interior, and Electrical.

• **Production Plan**

. Plant: Toledo, Main

. Process: 1993 MY level

. **Procurement & Supply:**

- Increase JIT/SPD (92% to 95%)
- Containerization at 55%

• **Timing**

	<u>Major Milestones</u>		
	<u>Date</u>	<u>WBVP</u>	
Program Approval	2/94	130	
Pilot, F1 Complete	11/94	90	
Pilot, P0 Complete	1/96	26	
Pilot, C1	3/96	18	
Production, Domestic	7/96	0	
Production, BUX	8/96	-2	- All models: LHD, RHD, Gas, Diesel, Military support
CKD Box & Ship	--	--	- Concurrent with Toledo launch dates

Financial

The financial assessments of the 1997 XJ program is shown below (details in Attachment 4).

• Volumes

The volumes for the 1997 XJ program are under review as part of a free demand study that continues XJ at a 12% market share versus the 8% to 9% share of the Business Plan. The financial analysis of program profitability is based on the incremental volume for the 1997 Minor that is assumed in the Business Plan volumes. Achieving the incrementality requires resolution of plant and component capacity issues that are being studied separately.

Business Plan Shipments (12/93 FPV's, 000's)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	
U.S.	106	111	105	103	
CAN. & MEX.	8	8	8	8	
BUX	<u>22</u>	<u>21</u>	<u>19</u>	<u>18</u>	
TOTAL, FPV's	136	140	132	129	
Free Demand Potential, Total	187	184	181	178	Plant/component capacity issues
Incremental, U.S.	16	16	15	16	
CKD (FPV's)	37	44	48	50	

• Variable Cost and Pricing Changes, U.S.

Track model - Sport 4WD, 4DR, 4.0L, A4

	<u>1997</u>	<u>B/(W) vs. 1996</u>	
- Variable Cost			
- Material	\$8206	(\$478)	
- Labor & Burden	815	-	
- Other	<u>803</u>	<u>38</u>	
- Total	\$9824	(\$440)	
- Pricing, WSD	--	\$248	PAB (\$220), bumper guards (\$28)

• Variable Margin

The variable margin for the average U.S. model is shown below. The margin change versus 1996 is a baseline for both U.S. and I.O. programs. The I.O. program will have average vehicle option profit improvements for unique feature actions.

Variable Margin, U.S.

	<u>1997</u>	<u>'97 B(W) vs. '96</u>
Variable Margin	\$7502	(\$230)
Incentives	<u>(1100)</u>	<u>100</u>
Net Margin	\$6402	(\$130)
Margin % of Revenue (with incentives)	36%	

Variable Margin, International
(Average unit, all markets)

BUX, LHD, Gas	\$TBD
Diesel	\$TBD
BUX, RHD, Gas	\$TBD
Diesel	\$TBD
CKD	\$TBD

- Investment (millions)

The 1997 XJ program investment is shown below. Funding for product actions on the 1997 XJ program is provided by LRP funds of \$67.6 million plus Quality Improvement Program (QIP) funds of \$33.1 million. The QIP for XJ also provides an additional \$9.4 million for assembly and stamping plant process improvements.

	<u>Product</u>			<u>Process</u>	<u>Total</u>	<u>Status B/(W) vs. LRP/QIP</u>
	<u>Domestic</u>	<u>I.O.</u>	<u>Total</u>			
T&F	\$123.1	\$18.3	\$141.4	\$9.4	\$150.8	(\$20.9)
ER&D	38.5	13.8	52.3	--	52.3	
PPL	<u>3.7</u>	<u>0.5</u>	<u>4.2</u>	<u>--</u>	<u>4.2</u>	
Total	\$165.3	\$32.6	\$197.9	\$9.4	\$207.3	

- Profitability

The profitability of the program is given below. It is based on the incremental volume and investment related to discretionary actions (excludes regulatory [PAB, emissions] and tool refurbishment).

	<u>Domestic</u>	<u>International</u>	<u>Combined</u>
Profitability Index	1.6	TBD	TBD
Discounted Cash Flow	24%	TBD	TBD

Recommendation

Approve the 1997 XJ program for the domestic and international markets.

1997 XJ Program

Attachments

1. Product Descriptions, U.S. & I.O.
2. Program Objectives
3. Quality Target
4. Financial Summaries

1997 XJ PRODUCT DEFINITION

MODEL/POWERTRAIN

- PRICE CLASSES: SE, SPORT, COUNTRY

- POWERTRAIN:

	TRANS.			T-CASE	
	M5	A3	A4	C/T	S/T
2.5L GAS	X	X		X	
4.0L GAS	X		X	X	X

REMARKS

S/T with A4 Domestic,
with M5 & A4 for I. O.

QUALITY

	1994	1997	2000	
SEGMENT BIC PROJECTION	129	111	95	Price leader category
XJ FORECAST	176	117	109	

PRODUCT CONTENT

· SIGNIFICANT DESIGN/FEATURE ACTIONS

SYSTEM

PROGRAM APPROVAL DEFINITION

· EXTERIOR
BODY

New front fenders
Improved body sealing

LIFTGATE

New, steel design. Reduced lift efforts, hidden hinges, outside CHMSL

DOORS

New glass. New handle
ZJ Style Outside Door Handles
One piece front glass (no vent)
New front door inner

FENDER FLARES

New

GRILLE

New Grille/GOP & Headlamp Bezels

BUMPERS

New Bumper, revised sweep & section. New air dam

BUMPER ENDS

New ends, extending to wheel opening, integral guards.

LAMPS

New Taillamp, Park/Turn/Side, & Fog Lamps

ROOF RACK

ZJ Roof Rack Stantions

MOLDINGS/ORNAMENTATION

New bodyside & sill Moldings, New Badges & Stripes

WHEELS

New 15x7 Aluminum Wheels

MIRRORS

New, folding, hand set. Power/heated option

· INTERIOR

I/P

• New w/PAB

GAUGES & INSTRUMENTS

• New Cluster & Switches

STEERING COLUMN/WHL.

• New, PL Column & Wheel w/DAB

CONSOLE

• New Floor Console with Cup Holders

SEATS

New Seat Trim

TRIM

New Door Trim, Relocate Armrest & Power Switches

· FUNCTIONAL

ENGINE

• 1997 Emissions (c.c. catalyst)

CLUTCH

Remote Clutch Reservoir

CONTROLS

• New Linkages. New park brake lever

ELECTRICAL

• New I/P Harness, Connectors, Junction Block. Electronic horn

HEVAC

Modified AN Controls - Rotary Dials

AUDIO

Corporate Radios (includes CD player)

RESTRAINTS

Improved Restraints & Adjustable Turning Loop

NVH

Improved Sound Insulation

· OTHER

Tool refurbishment

• Required by design actions necessary to meet 1998 FMVSS or EPA requirements

1997 CHEROKEE PRODUCT DEFINITION

Attachment 1

INTERNATIONAL

MODEL/POWERTRAIN LINE-UP:

			BUX		CKD	
			LHD	RHD	LHD	RHD
XJ 4WD	2/4-DR	2.5L MPI M5*	x	x	x	x
		2.5L CARB M5**			x	x
		2.5L TD M5	x	x	x	x
		4.0L MPI M5*	x	x	x	x
		4.0L MPI A4*	x	x	x	x
		2.5L MPI A3*	x	x	x	x
XJ 2WD	4-DR	2.5L CARB M5**			x	
		2.5L MPI M5*			x	

* LEADED FUEL OPTION OFFERED
 ** LEADED FUEL ONLY

PRODUCT CONTENT

Carryover 1996 model year except design actions noted below:

Carryover Programs requiring funding:

- o Homologation for Europe, Middle East & Australia
 - as required for new regulations and grandfathered upgrades
 - Homologate manual window crank
 - Revise manual antenna base for ECE homologation
 - Full-size compact spare tire which meets ECE homologation
 - Fender flares for maximum tire size (ECE and Japan regulations) - front
 - Outside spare tire carrier option which meets ECE homologation
 - Fog lamps which meet ECE homologation
 - Front and rear fog lamp switches
 - Tallamps - unique inner
- o Homologation for other markets - to be evaluated for opportunities to avoid costly distributor redesign and retrofit work.
- o Right-Hand-Drive
- o Diesel - including hot climate requirements
- o Unique Fuel requirements
 - Leaded fuel - 4.0L and 2.5L engines
 - 22% ethanol fuel - 4.0L and 2.5L engines
- o Airbag delete option for CKD markets
- o Emissions (ECE passenger car emissions)
- o Duty cycle upgrades as required to meet BUX and CKD market requirements

Major Customer Satisfaction / Opportunities

- o Selec-Trac for manual transmission (diesel and 4.0L)
- o Military support program (see specification detail)
- o Roof rack retention at high speed
- o Replace or refine G.C.C. cooling package
- o Replace power mirror option (LHD) with heated power mirrors

CHEROKEE PROGRAM OBJECTIVES

PPC Approval

ATTACHMENT 2

1. QUALITY / RELIABILITY / SERVICE			
		4WD Model	
		Objective	Current
o Quality:	- QTS	TBD	191 (1993)
	- QUIS	221	318 (1992)
	- J.D. Powers	85	199 (1993)
	- C's/100 - 12/12	133	211 (1992)
	- C's/100 - 3/36	252	363 (1992)
	- EPUS - 12/12	\$158	\$154 (1992)
o Warranty:	- EPUS - 3/36	209	322 (1992)
	- TOTAL EPUS	\$545	\$584 (1993)
	RELIABILITY - Design Life		
Design Life and R & C (Recommended Targets)			
Safety		DSGN LIFE	R&C
Mobility (New Systems)		L.O.T.V.	R95/C90
Non-Mobility-Major (New Systems)		10YR/100K	R90/C90
Non-Mobility-Minor (New Systems)		10YR/100K	R90/C90
Emissions		5YR/50K	R80/C90
		10YR/120K	
Corrosion Protection Design (Years) - New Parts Only			
Body Perforation/Structure	10YR/100K	10YR/100K	10YR/100K
Exterior Cosmetic	3 YR	3 YR	3 YR
All Other Cosmetic	1YR	1YR	1YR
o Serviceability - 4WD Vehicle	95 %		95 %

2. PERFORMANCE/FUEL ECONOMY-4WD				
		0 - 60	Five Sec.	Max Grade @ 65 MPH
		Mph - Sec	Dist. (Ft)	Top Gear
o Performance (DOM)*	2.5L/M5	12.7	142	6.3
	2.5L/A3	14.6	124	6.9
	2.5L/M5(T/D)	12.5	145	9.0
	4.0L/M5	9.5	163	7.0
	4.0L/A4	9.7	158	6.7
				2.9
				1.6
				5.6
				4.4
				4.2

3. MARKET PLANNING					
		97 MY	98 MY	99 MY	00 MY
o Unit Sales (000's):					
Domestic (N.A.V.)		114	119	113	111
Memo: Dom. Share %		TBD	TBD	TBD	TBD
BUX (All Markets)		22	21	19	18
CKD (All Markets)		TBD	TBD	TBD	TBD

4. PROGRAM TIMING			
		TIMING AS OF:	
		Objective	Status
			01/21/94
			W.B.V.P.
o	Concept Approval	08/06/93	08/06/93
	Functional Objectives Complete	10/04/93	98% Complete No Issues
	Exterior Approval	10/22/93	10/22/93
	D.V.P & R. Complete	11/08/93	75% Complete No Issues
	Design FMEA Complete	11/08/93	25% Complete No Issues
	Interior Approval	12/03/93	
	Program Approval	12/20/93	
	Process FMEA Complete	08/15/94	
	F-1 Complete	11/07/94	
	P-Zero Complete	12/11/95	
	C-1 Pilot	3/25/96	
	PVP	6/03/96	
	Production - Job #1	7/29/96	
	BUX - Job #1	8/12/96	

5. PROCUREMENT & SUPPLY GROUP					
VENDOR TOOLING					
		Variable Cost		Investment	
		\$	%	\$(mil)	%
o Committed					
o Uncommitted					100%
o Carryover	TBD	TBD			
Total					100.0%
MATERIAL HANDLING					
o Containerization Rate		55%		95%	
o Investment		\$3.6 *		\$4.4	

6. FINANCIAL STATUS						
o Investment (Lifetime @ Incurred) \$(Million)						
		Calendar Year				
		1993	1994	1995	1996	TOTAL
Domestic Status						
Mfg Tools & Facilities			\$0.6	\$4.8	\$8.2	\$13.6
Quality Fund -Mfg		1.2	8.1	13.9	23.2	
Quality Fund -Vendor		0.6	3.9	14.8	19.3	
Acustar Tools & Facili			0.6	0.5	1.1	
Vendor Tooling			1.2	6.1	32.4	41.2
Material Handling					3.6	3.6
Die Models			0.2	0.2	0.4	
Tool Rehab			1.7	5.1	10.1	16.9
Task						
Provision - PCN's				4.2	4.2	
Provision - Econ				5.5	5.5	
Contingency				3.5	3.5	
P P & L				3.7	3.7	
E R & D		4.5	22.0	10.0	2.0	38.5
Total Domestic		\$4.6	\$27.6	\$42.6	\$98.6	\$174.7
International Status						
Tools & Facilities			6.0	4.7	7.6	18.3
P P & L				0.5	0.5	
E R & D		0.6	5.1	5.5	2.6	13.8
Total International				\$10.7	\$10.2	\$32.6
TOTAL PROGRAM		\$4.6	\$27.6	\$63.2	\$108.8	\$207.3
o Variable Cost ('94 MY Economics) TRACK MODEL						
Status - PF31		1994	1995	1996	1997	
		(\$9,287)	(\$9,435)	(\$9,384)	(\$9,824)	
o Variable Margin (Average Vehicle)						
Status - PF31		1994	1995	1996	1997	
		\$7,469	\$7,626	\$7,732	\$7,502	
o Profitability						
DCF/ROI			1997			
Profitability Index			24.1%			
			1.6			
7. VEHICLE WEIGHT						
		Status			Objective	
		1993	1996	1997		
o XJ-J-72(2.5L/M5)			3,042	3,059	3,112	
o XJ-J-74(4.0L/A4)*			3,714	3,762	3,811	
*with EPA options- 33% and 300lbs Test Load						
8. MANUFACTURING GROUP						
		1994	1997	STATUS B/(W)		
o Assembly Labor		Status	Objective	Objective	Prior	
o Average Vehicle (Hours)						
Direct Labor		18.9	18.9			
Indirect Labor Hourly		9.5	8.0	(1.5)		
Indirect Labor Salary		2.6	2.3	(0.2)		
Total		30.9	29.2	(1.7)		
o Open Trouble Reports						
o PROCESS PLAN						
F1 - Preliminary Process Sheets			09/17/94			
PO - Complete ODS			10/16/95			
9. FUNCTIONAL TARGETS						
o Vehicle XJ-J-74						
Engine		XJ	Ride (On-road)	XJ		
Driveline		XJ	Handling/Steering	XJ		
Off-road Capability		XJ	Comfort/Convenience	XJ+		
NVH		XJ+				
Note: Aerodynamics and Dimensional Objectives are Carryover 1996 XJ.						

*Note: Contained in current program, material handling will pay for the upgrade to the 95% rate.

XJ QUALITY TARGETS

Corporate objectives, 8/11/93

Guidelines

Competitive with Ford & GM by 1996 and Toyota by 1998
Best in class by 2000

XJ targets

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Remarks</u>
IQS	199	169	120	86	76	67	61	52	Same as ZJ
C's/100	190	161	114	82	72	63	55	48	4WD model
CSI	132	136	141	146	151	156	161	167	

XJ Issues

No differentiation of targets by price class. XJ is the segment price leader but has the same IQS target as ZJ.

- > Corporate target of 8/93 assigns XJ the same target as ZJ, yet vehicles are at the opposite ends of the segment in terms of price positioning. The S Blazer and Sidekick 4 door are better references.
 - XJ is priced \$4,000 to \$9,000 under the ZJ, depending on model; \$4,000 to \$8,000 under Explorer.
 - XJ is priced between S Blazer (\$2,000 to \$3,000 under) and the 4 door Sidekick (\$2,000 to \$4,000 over).

- > XJ customer expectations are different than for other competitors. The XJ CSI is competitive despite having the highest IQS number.

	<u>XJ</u>	<u>ZJ</u>	<u>EXP.</u>	<u>4RNR</u>	<u>BLZR</u>
CSI (1993)	132	130	142	156	tbd
IQS (1993)	199	166	118	83	136

- > The repositioned XJ is attracting a new buyer with different product expectations. The 1993 XJ CSI improved significantly despite modest improvements in IQS and C's/100.

	<u>CSI</u>	<u>IQS</u>	<u>C's/100</u>
1992 XJ	111	207	202
1993 XJ	132	199	190
% change	19%	-4%	-6%

- > Develop the XJ target from the S Blazer and Sidekick IQS projections of 8/93.
 - Use S Blazer 1993 IQS rating as a base and apply a 5% improvement factor.
 - Results in a XJ target that has a 10% annual improvement.

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>2000</u>	<u>% annual change</u>
Blazer	136	122	110	99	89	65	10%
Sidekick	160	152	144	137	130	112	5%
Target	136	129	123	117	111	95	5%

Targets are independent of platform age

- > The continuation of the XJ platform and production process will limit the degree of quality improvement that XJ can achieve. The XJ is unlikely to match competitive quality levels that will be achieved with one or two platform renewals by 2000.

<u>Platform</u>	<u>Product Plan</u>		<u>IQS @</u>	<u>Age at MY</u>			<u>2000</u>	<u>Memo: Avg. annual improvement in IQS for Corporate target</u>
	<u>New</u>	<u>Major</u>		<u>1993</u>	<u>1997</u>	<u>2000</u>		
XJ	1983		199	10	14	17	17%	
ZJ	1993/9		166	0	5	1	15%	
Toyota 4 Runner	1990/6		83	3	7	4	5%	
Explorer	1991	1995	118	2	2	5	10%	
S Blazer	1983	1995	136	10	2	5	10%	
Rodeo	1991/6		n/a	2	6	4	n/a	

Recommended XJ objective

Adjust XJ IQS objective to reflect its competitive price position and the LRP timing of the Minor program.

<u>IQS</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Proposed	136	129	123	117	111	105	100	95
XJ forecast	199	176	158	152	117	114	112	109

**1997 XJ CHEROKEE PROGRAM
FINANCIAL REVIEW
For February 4, 1994 PPC**

1. PROGRAM EXPENDITURES (Incurred Economics in Millions)	PPC Program Status	Status B/(W) Concept
Domestic Program*		
Tooling & Facilities	\$132.5	(\$20.9)
PP&L	3.7	
ER&D	38.5	(6.9)
Total Domestic Program	\$174.7	(\$27.8)
International (T & F)	\$18.3	(2.1)
International (ER&D)	13.8	
International (PP&L)	0.5	(0.5)
Total	\$207.3	(\$30.4)
Risk & Opportunities	\$8.1	

2. 1997 TRACK MODEL VARIABLE COST - (Per Unit at 1994 Economics)	PPC Program Status	STATUS (O)U 1996 MY
Material	\$8,206	(\$478)
Assembly Labor & Burden @ 94 Conditions	815	0
Other Variable Costs (IBT, OBT, Warranty)	803	38
Total	\$9,824	(\$440)

3. 1997 VEHICLE PRICING - WSD (Per Unit at 1994 Economics)	PPC Program Status	STATUS (O)U 1996 MY
Average WSD - Domestic XJ Utility	\$17,682	\$257

4. 1997 MY AVERAGE DOMESTIC MARGINS - (Per Unit At 1994 Economics)	PPC Program Status	STATUS (O)U 1996 MY
XJ Variable Margins	\$7,502	(\$230)
Less Incentives	(\$1,100)	\$100
Net After Incentives	\$6,402	(\$130)
Risk & Opportunities	\$15	

5. ANNUAL VOLUMES (000) (Model Year Shipments)	12/2 FPV					Memo
	1995	1996	1997	1998	1999	2000
U.S.	112	110	106	111	105	
Canada & Mexico	9	10	8	8	8	
BUX	26	25	22	21	19	
Sub-Total -Business Plan	147	145	136	140	132	
Memo: Free Demand 1/10	197	200	198	195	192	
CKD - 12/2 FPV	32	37	37	44	48	
Total Business Plan 12/2 FPV	179	182	173	184	180	
TOTAL Incrementality of the Program			18	18	17	18

6. PROFITABILITY INDICATORS (Includes Quality Funding)	CURRENT STATUS
DCF/ROI	24.1%
Profitability Index (P.I. Net of Incentives)	1.6
Margin as a percentage of revenue (w/ Incentives)	36.2%
Margin as a percentage of revenue (w/o Incentives)	42.4%

**1997 XJ FRESHENING PROGRAM
CONTENT COMPARISON TO 1996 M.Y.**

ITEMS	Track/Veh. Variable Cost	Average Variable Margin	Investment (000)	Investment B/(W) Concept	COMMENTS
<u>POLICY/REGULATORY ITEMS</u>					
<u>EMISSION SYSTEM</u>					
-OBDII & NR Fuel					Moved to 1996.
-Revise Exhaust System					Close coupled mini-Cats/similiar to YJ
	\$0	\$0	\$625	\$1,150	
<u>Federal Regulations</u>					
-Clean Air Act					Moved to 1998.
	\$0	\$0	\$1,500	\$0	
<u>TOOL REHAB & MISC.</u>					
-Refurbish Assy., Strmpg., & Vendor					
	\$0	\$0	\$20,353	(\$231)	Rehab hood, cowl, fenders, doors, Qtrs, Roof, Pillars
<u>DRIVER & PASSENGER AIRBAG</u>					
-Air Bag Module & Brkt.	(\$80)				Driver & passenger Airbag Modules & PAB Door
-New I/P & Top Cover	(\$40)				New instrument panel; cluster bezel & column brkts.
-Revise dash & cowl panels	(10)				Revise dash & cowl panels for new I/P & strg. col.
-AECM Module & Sensors	(65)				Air Bag Control Module
	(\$195)	\$25	\$17,501	(\$2,273)	Priced @220 WSD - Market Value
<u>ELECTRICALS</u>					
-I/P cluster, switches & controls	(52)				New cluster & switches & telltales
	(\$52)	(\$52)	\$720	(\$285)	
<u>HEVAC UNIT & CONTROLS</u>					
	\$6	\$6	\$1,109	(\$44)	Revise HEVAC unit/controls/Ducts/Conden/Plumb
<u>PL STEERING COLUMN & YJ WHEEL</u>					
	\$5	\$5	\$2,843	(\$1,293)	New steering column-"PL"/tilt/nontilt same as YJ
<u>NEW PEDALS, LEVERS, & HOUSING</u>					
	(\$8)	(\$8)	\$1,265	(\$670)	New clutch, brake, Accel Pedals, Linkages
<u>NEW FLOOR CONSOLE</u>					
	\$6	\$6	\$2,162	(\$713)	Trans & T/F Case Levers, & Housing
					New floor console with cup holders
<u>STEEL LIFTGATE</u>					
-Body-In-White	\$27				Mfg, Strmpg & Dies & Assy T&F
-Misc. Body-In-White	(4)				B-I-W Roof, sill, cross member, & header changes
-L/Gate Latch & Striker Assy.	0				Changes to latch & striker
-Liftgate Handle & Rod	(3)				New Handle
-L/Gate Glass	(1)				New glass
-Interior Trim Panel	(5)				New Liftgate trim panel
-Moldings & Seals	(7)				New seals & midgs. for l/gate glass changes
-CHMSL	3				CHMSL relocated above glass
-License plate lamp & wiring modules	(2)				Lamp & Wiring changes
	\$8	\$8	\$16,192	(\$2,788)	
<u>NEW TAILLAMPS</u>					
	\$0	\$0	\$1,210	(\$310)	New taillamps and mtg. panels
<u>REMOTE CLUTCH RESERVOIR & ATT PLAT</u>					
	(\$1)	(\$1)	\$179	(\$79)	New reservoir to slave cyl hyd fluid line
<u>CORPORATE RADIO PROGRAM</u>					
	\$65	\$65	\$30	\$0	New corp. radio system - radio/cassette/CD
<u>SEAT & TIB</u>					
	(\$30)	(\$30)	\$200	\$500	New seat sew style & fabrics
<u>DOOR IMPROVEMENTS</u>					
	(\$76)	(\$76)	\$19,212	(\$9,773)	New door inners (\$11), molded door trim panels (\$40)
					New door glass & misc BIW changes (\$14), ventless glass (\$11)
<u>FIT & FINISH</u>					
	(\$5)	(\$5)	\$1,100	\$0	

**1997 XJ FRESHENING PROGRAM
CONTENT COMPARISON TO 1996 M.Y.**

ITEMS	Track/Veh. Variable Cost	Average Variable Margin	Investment (000)	Investment B/(W) Concept	COMMENTS
EXTERIOR APPEARANCE					
-Grille & headlamp bezels	(1)				New grille insert, New h/lamp bezels
-Moldings, Badges & Stripes	(29)				New B/S molding & sill piece & steel rail; low & highline
-15 X 7 Aluminum Wheels	0				New 15x7 Alum. Wheel(58 1/2" track)
-New Bumpers, Endcaps & Flares	(34)				Bumper endcaps W/integral guards & Airdam changes
-New Park/Turn/Side Lamps	(4)				Bumper Guards priced @ 28 WSD
-ZJ Style Door Handles & Hardware	(8)				New parking, turn, & sidemarker lamps
-New Roof Rack	2				New door handles & hardware (ZJ style)
-New G.O.P. & Mtg. Changes	(7)				ZJ style Roof Rack Quality Improvement
-Outside Mirrors	0				Quality and manufacturing improvements
	(\$81)	(\$53)	\$15,999	(\$5,981)	Quality Improvement Windnoise Reduction
ADJUSTABLE TURNING LOOPS	(\$19)	(\$19)	\$850	\$530	Restraint Improve & Adj Turning Loops-F&R Seat comfort, quality, atl fed reg
NEW WIRING SYSTEM & ELECTRICALS					
-New Wiring System & Connectors	(4)				New vehicle wiring & upgraded conn. improve quality
-Junction Block	(35)				New Junction Block
-Electronic Horn	(3)				Add Hi-note electronic horn
	(\$42)	(\$42)	\$5,083	\$1,795	
FRT. & REAR DOOR SEALS	(\$23)	(\$23)	\$175	\$200	
ZJ TYPE ENGINE/TRANS. MOUNTS	(\$10)	(\$10)	\$1,800	\$0	Quality improvements
OTHER NON-LISTED					
-Additional Quality/Contingency			\$3,473		
-Economics			\$5,452		
-Tool Change Provision & Linears	(\$26)	(\$26)	\$4,144		
-Quality Process & Assembly automation			\$9,400	\$0	
- Mfg Paint & Solvents	\$0	\$0	\$110	\$15	Improved New Door Seals
-Misc Content Changes				(\$637)	Deleted new wiper system + air cleaner changes + task
TOTAL RECOMMENDED PROGRAM	(\$478)	(\$230)	\$132,487	(\$20,887)	

Product Financial Analysis
A:\XJPPCXJ\Explane
January 19, 1994.

CHEROKEE PROGRAM RISKS & OPPORTUNITIES

(\$000)

	<u>CALENDAR YEAR</u>		<u>FUTURE YEARS</u>	<u>LIFETIME INVESTMENT</u>		<u>VARIABLE COST</u>	
	<u>1995</u>	<u>1996</u>		<u>RISK</u>	<u>OPPORT.</u>	<u>RISK</u>	<u>OPPORT</u>
<u>1997 XJ program</u>							
o Material Handling at 95% containerzation	(2,200)	(2,200)		(\$4,400)			32
o Side Impact w/ Light Duty Truck Standards	(1,000)	(1,000)		(\$2,000)			
o Manufacturing Process Funding Shortage	(500)	(500)		(\$1,000)			
o Rear axle - tooling toe req'd & variable gaging tube pressing	(115)	(115)		(\$230)			
o Potential cooling changes required if restricted airflow	(110)	(110)		(\$220)		(17)	
o Bracket-Column Support not common w/TJ Pending 208 crash results	(100)	(100)		(\$200)			
<i>TOTAL 1997 XJ (Risk) / Opportunities</i>	<u>(\$4,025)</u>	<u>(\$4,025)</u>	<u>\$0</u>	<u>(\$8,050)</u>	<u>\$0</u>	<u>(\$17)</u>	<u>\$32</u>

ATTACHMENT 9

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Twelve Pages:

Product Planning Committee meeting minutes for 4 February 1994, relating to the program approval of the 1997 Jeep Cherokee (aka the PPC).

PRODUCT PLANNING COMMITTEE

CONFERENCE ROOM 'A'
K. T. KELLER BUILDING
5TH FLOOR

Friday, Feb. 4th
9:30 - 11 a.m.

AGENDA

PRESENTER

1997 XJ PROGRAM APPROVAL

Pat Dilworth

J. W. RICKERT
REV.: Jan. 30
776-2940

MEMBERS

BOLTZ, R.R.	LIEBLER, A.C.
CASTAING, F. J.	LUTZ, R. A.
CUNNINGHAM, T. R.	PAPPERT, E. T.
DONLON, J. D.	PAWLEY, D. K.
GALE, T. C.	ROBERTSON, B. I.
GALLAGHER, T.	STALLKAMP, T. T.

1997 XJ

Program Approval

PPC

February 4, 1994

1997 XJ Program

PPC, 2/4/94

Purpose

Program Approval of the 1997 XJ Program for the domestic and international markets.

Program Goal & Objectives

The goal of the 1997 XJ program is to maintain XJ sales volumes and market share. The objectives to support this goal are to keep XJ the value leader in the Small Sport Utility Segment and the affordable classic of the Jeep brand, address quality and customer satisfaction issues, and meet regulatory requirements.

Domestic Program

• Market Overview (U.S.)

The Small Sport Utility market segment has been growing steadily and is projected to reach approximately 1.2 million units by 1997. Along with the growth of the segment all of the significant competitors are expected to make major changes to their products by 1996.

XJ sales have been very strong since the repositioning in 1993 with the market opportunity created by appealing to younger, less affluent buyers. The 1993 XJ sales were 127,000 units with a market share of 12.6% and the projected Free Demand volumes continue at the 12% market share.

• XJ Product Assessment

With the XJ as the price leader in the segment and the enduring appeal of its traditional appearance, sporty performance, and compact size, the key to maintaining XJ sales is to meet customer expectations for quality and reliability, comfort and convenience, and safety.

Market research has confirmed that customers prefer the traditional appearance of the XJ. However, there will be a modest exterior freshening that supports quality improvement actions and complements the interior changes.

International Program

• Market Overview

Cherokee competes very effectively in International markets, offering a choice of right or left hand drive configurations available with gas or diesel engines. Further sales growth is expected in newly launched right-hand-drive markets, developing BUX markets such as South America and Eastern Europe, and with new CKD locations.

Total International sales for BUX and CKD are projected to increase to 60,000 units by 1997, up from 45,000 units in 1993.

• Product Assessment

International customer concerns are generally consistent with those of U.S. customers, and as such are addressed in the core program. Funding is being requested for continuation of the present model line-up and for several unique quality and feature enhancements. Also, funding is requested for CKD affiliate facilities investments to support continued production of the 1997 XJ.

Product Actions

The key product actions for the 1997 XJ are shown below along with unique International items that are incremental to the Domestic program (details in Attachment 1). These product actions have been developed to improve quality and reliability while also providing a product freshening.

DOMESTIC PROGRAM

Exterior

- New grille, lamps & GOP
- New bumper, bumper end caps, air dam
- New fender flares, new front fender
- New liftgate and taillamps
- New bodyside moldings, aluminum wheels
- New mirrors, ventless front door glass

Interior

- New instrument panel with PAB
- New column/wheel
- New console and door trim

Other

- Tool refurbishment
- Quality improvements

INTERNATIONAL PROGRAM

- Military support program
- Maintain carryover features (homologation, right-hand-drive, diesel)
- Selec-trac for manual transmission (4.0L & diesel)

Program Plan

The 1997 XJ program is focused on quality and reliability improvements with objectives for functional targets, performance, and fuel economy at carryover levels (see Attachment 2). Key points on the quality targets, production plan and program timing are summarized below.

• Quality/Reliability

The 1997 XJ program will deliver significant quality and reliability improvements based on identified corrective actions for major problem areas. However, the XJ forecast for the J. D. Power Initial Quality Survey (IQS) ratings is higher than the best-in-class target for the Compact Sport Utility segment. The IQS target and XJ forecast are shown below.

<u>XJ IQS Rating</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Corporate Target, 8/93	199	169	120	86	76
XJ Forecast	--	176	158	152	117

Opportunities for additional improvements to achieve the target are being pursued. Also, quality improvement through process variation reduction (over 50% of XJ c's/100 are one c/100 or less) will be studied as part of the corporate initiative to address process variation.

The 1997 XJ program is being implemented by a Product Strategy Team and three Product Assurance Teams covering the major change areas of Body, Interior, and Electrical.

• Production Plan

. Plant: Toledo, Main

. Process: 1993 MY level

. Procurement & Supply:

- Increase JIT/SPD (92% to 95%)
- Containerization improved from 55% to 95%

• Timing

	<u>Major Milestones</u>		
	<u>Date</u>	<u>WBVP</u>	
Program Approval	2/94	130	
Pilot, F1 Complete	11/94	90	
Pilot, P0 Complete	1/96	26	
Production, Domestic	7/96	0	
Production, BUX	8/96	-2	- All models: LHD, RHD, Gas, Diesel, Military support
CKD Box & Ship	--	--	- Concurrent with Toledo launch dates

Financial

The financial assessment of the 1997 XJ program is shown below (details in Attachment 3).

• Volumes

Plans are being developed to achieve the Free Demand volumes for XJ including a separate study of the powertrain and component capacity requirements for higher volumes than included in the Business Plan. The investment and financial analysis for the 1997 XJ program is based on the Business Plan volumes and incrementality. Volume assumptions for both levels are shown below.

Shipments (000's)

	<u>Business Plan (12/93)</u>			<u>Free Demand (1/94)</u>		
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
U.S.	106	111	105	153	152	151
CAN. & MEX.	8	8	8	12	11	11
BUX	22	21	19	23	22	20
TOTAL, FPV's	136	140	132	188	185	182
Incremental (Domestic)	16	16	15			
CKD (FPV's)	37	44	48			

• Variable Cost, U.S.

Track model - Sport 4WD, 4DR, 4.0L, A4

	<u>1997</u>	<u>B/(W) vs. 1996</u>	
- Variable Cost			
- Material	\$8206	(\$478)	1997 XJ program actions
- Labor & Burden	787	28	Manufacturing labor save
- Other	744	97	95% containerization & cost reductions
- Total	\$9737	(\$353)	

• Variable Margin

The variable margin for the average U.S. model is shown below. The margin change versus 1996 is a baseline for both U.S. and I.O. programs. The I.O. program will have average vehicle option profit improvements for unique feature actions.

Variable Margin, U.S.

	<u>1997</u>	<u>'97 B(W) vs. '96</u>
Variable Margin	\$7644	(\$ 88) a/
Incentives	(1100)	100
Net Margin	\$6544	\$ 12

Variable Margin, International
(Average unit, all markets)

BUX, LHD, Gas	\$5409
Diesel	\$4297
BUX, RHD, Gas	\$4484
Diesel	\$3583
CKD, Gas	\$2159

a/ Includes WSD pricing for: PAB \$220, bumper guards \$28
Emissions \$22, price class mix changes (\$13)

- Investment (millions)

The 1997 XJ program investment is shown below. T&F funding for product actions on the 1997 XJ domestic program is provided by LRP funds of \$69.1 million plus Best-In-Class Quality funds of \$34.5 million for a total of \$103.6 million.

	<u>Domestic</u>	<u>I.O.</u>	<u>Total</u>	<u>Status B/(W)</u> <u>vs. Plan</u>	
T&F	\$124.4	\$18.6	\$143.0	(\$20.8)	
ER&D	31.6	14.7	46.3	\$ 0.0	
PPL	<u>3.7</u>	<u>0.5</u>	<u>4.2</u>	<u>\$ 0.0</u>	
Total	\$159.7	\$33.8	\$193.5	(\$20.8)	
Containerization (55% to 95%)			<u>4.4</u>	<u>(\$ 4.4)</u>	Contributes \$32 cost save
Program Total			\$197.9	(\$25.2)	

- Profitability

The profitability of the program is given below and is based on Business Plan volumes.

	<u>Domestic</u>	<u>International</u>	<u>Combined</u>
Profitability Index	1.7	5.4	2.6
Discounted Cash Flow	27%	107%	45%
Margin as a % of Revenue	36%	25%	32%

Recommendation

Approve the 1997 XJ program for the domestic and international markets.

1997 XJ PRODUCT DEFINITION

MODEL/POWERTRAIN

- PRICE CLASSES: SE, SPORT, COUNTRY

- POWERTRAIN:

	TRANS.			T-CASE	
	M5	A3	A4	C/T	S/T
2.5L GAS	X	X		X	
4.0L GAS	X		X	X	X

REMARKS

S/T with A4 Domestic, with M5 & A4 for I. O.

PRODUCT CONTENT

· SIGNIFICANT DESIGN/FEATURE ACTIONS

SYSTEM

PROGRAM APPROVAL DEFINITION

· EXTERIOR

BODY

New front fenders

LIFTGATE

Improved body sealing

DOORS

New, steel design. Reduced lift efforts, hidden hinges, outside CHMSL

FENDER FLARES

New glass. New handle

GRILLE

ZJ Style Outside Door Handles

BUMPERS

One piece front glass (no vent)

BUMPER ENDS

New front door inner

LAMPS

New

ROOF RACK

New Grille/GOP & Headlamp Bezels

MOLDINGS/ORNAMENTATION

New Bumper, revised sweep & section. New air dam

WHEELS

New ends, extending to wheel opening, integral guards.

MIRRORS

New Taillamp, Park/Turn/Side, & Fog Lamps

ZJ Roof Rack Stantions

New bodyside & sill Moldings, New Badges & Stripes

New 15x7 Aluminum Wheels

New, folding, hand set. Power/heated option

· INTERIOR

I/P

New w/PAB

GAUGES & INSTRUMENTS

New Cluster & Switches

STEERING COLUMN/WHL.

New, PL Column & Wheel w/DAB

CONSOLE

New Floor Console with Cup Holders

SEATS

New Seat Trim

TRIM

New Door Trim, Relocate Armrest & Power Switches

· FUNCTIONAL

ENGINE

1997 Emissions

CLUTCH

Remote Clutch Reservoir

CONTROLS

New Linkages. New park brake lever

ELECTRICAL

New I/P Harness, Connectors, Junction Block. Electronic horn

HEVAC

Modified AN Controls - Rotary Dials

AUDIO

Corporate Radios (includes CD player)

RESTRAINTS

Improved Restraints & Adjustable Turning Loop

NVH

Improved Sound Insulation

· OTHER

Tool refurbishment

INTERNATIONALMODEL/POWERTRAIN LINE-UP:

			BUX		CKD	
			LHD	RHD	LHD	RHD
XJ 4WD	2/4-DR	2.5L MPI M5*	x	x	x	x
		2.5L CARB M5**			x	x
		2.5L TD M5	x	x	x	x
		4.0L MPI M5*	x	x	x	x
		4.0L MPI A4*	x	x	x	x
		2.5L MPI A3*	x	x	x	x
XJ 2WD	4-DR	2.5L CARB M5**			x	
		2.5L MPI M5*			x	

* LEADED FUEL OPTION OFFERED

** LEADED FUEL ONLY

PRODUCT CONTENT

Carryover 1996 model year except design actions noted below:

Carryover Programs requiring funding:

- o Homologation for Europe, Middle East & Australia
 - as required for new regulations and grandfathered upgrades
 - Homologate manual window crank
 - Revise manual antenna base for ECE homologation
 - Full-size compact spare tire which meets ECE homologation
 - Fender flares for maximum tire size (ECE and Japan regulations) - front
 - Outside spare tire carrier option which meets ECE homologation
 - Fog lamps which meet ECE homologation
 - Front and rear fog lamp switches
 - Taillamps - unique inner
- o Homologation for other markets - to be evaluated for opportunities to avoid costly distributor redesign and retrofit work.
- o Right-Hand-Drive
- o Diesel - including hot climate requirements
- o Unique Fuel requirements
 - Leaded fuel - 4.0L and 2.5L engines
 - 22% ethanol fuel - 4.0L and 2.5L engines
- o Airbag delete option for CKD markets
- o Emissions (ECE passenger car emissions)
- o Duty cycle upgrades as required to meet BUX and CKD market requirements
- o CKD facilities investment to support continued production of freshened vehicle.

Major Customer Satisfaction / Opportunities

- o Selec-Trac for manual transmission (diesel and 4.0L)
- o Military support program (see specification detail; incl. severe use suspension pkg., filtration pkg., etc.)
- o Roof rack retention at high speed
- o Replace or refine G.C.C. cooling package
- o Replace power mirror option (LHD) with heated power mirrors

CHEROKEE PROGRAM OBJECTIVES

1. QUALITY / RELIABILITY / SERVICE			
4WD Model			
	Objective	Current	
o Quality:	- QTS	N/A	191 (1993)
	- CSA	15.4	24.4 (1993)
	- QUIS	221	318 (1992)
	- J.D. Powers IQS	117	199 (1993)
o Warranty:	- C's/100 - 12/12	133	195 (1993)
	- C's/100 - 3/36	253	341 (1993)
	- EPUS - 12/12	\$97	\$138 (1993)
	- EPUS - 3/36	\$242	\$331 (1993)
	- TOTAL EPUS	\$363	\$393 (1993)
o RELIABILITY - Design Life	Design Life and R & C (Recommended Targets)		
	Safety	DSGN LIFE	R&C
	Mobility (New Systems)	L.O.T.V.	R95/C90
	Non-Mobility-Major (New Systems)	10YR/100K	R90/C90
	Non-Mobility-Minor (New Systems)	10YR/100K	R90/C90
	Emissions	5YR/50K	R80/C90
		10YR/120K	
o Corrosion Protection Design (Years) - New Parts Only	Body Perforation/Structure	10YR/100K	10YR/100K 10YR/100K
	Exterior Cosmetic	3 YR	3 YR 3 YR
	All Other Cosmetic	1YR	1YR 1YR
o Serviceability - 4WD Vehicle		95 %	95 %

2. PERFORMANCE/FUEL ECONOMY-4WD					
	0 - 60	Five Sec.	Max Grade @ 55 MPH *		
o Performance (DOM)*	Mph - Sec	Dist. (Ft)	Top Gear	W/Trailer	
	2.5L/M5	12.7	142	6.3	2.9
	2.5L/A3	14.6	124	6.9	1.6
	2.5L/M5(T/D)	12.5	145	9.0	5.6
	4.0L/M5	9.5	163	7.0	4.4
	4.0L/A4	9.7	158	6.7	4.2
* 200lb. trailer - except 4.0L/A4 at 500lb					
	Status		Objective		
o Fuel Economy	City	Hwy	City	Hwy	
	2.5L/M5	19	22	19	22
	2.5L/A3	18	20	18	20
	4.0L/M5	17	21	17	21
	4.0L/A4	15	19	15	20

3. MARKET PLANNING -BUSINESS PLAN LEVEL			
o Unit Sales (000's):	97 MY	98 MY	99 MY
Domestic (N.A.V.)	114	119	113
BUX (All Markets)	22	21	19
CKD (All Markets)	37	44	48

4. PROGRAM TIMING TIMING AS OF:				
	Objective	01/31/94	Status	
		Actual	W.B.V.P.	
o Concept Approval	08/06/93	08/06/93	154	
o Functional Objectives Complete	10/04/93	98% Complete	No Issues	
o Exterior Approval	10/22/93	10/22/93	142	
o D.V.P & R. Complete	11/08/93	75% Complete	No Issues	
o Design FMEA Complete	11/08/93	25% Complete	No Issues	
o Interior Approval	12/03/93	12/15/93	137	
o Program Approval	12/04/94		130	
o Process FMEA Complete	08/15/94		100	
o F-1 Complete	11/07/94		90	
o P-Zero Complete	1/29/96		26	
o C-1 Pilot	3/25/96		18	
o PVP	6/03/96		8	
o Production - Job #1	7/29/96		0	
o BUX - Job #1	8/12/96		-2	

5. PROCUREMENT & SUPPLY GROUP				
VENDOR TOOLING -DOMESTIC PROGRAM				
	Variable Cost		Investment	
	\$	%	\$(mil)	%
o Committed				
o Uncommitted	TBD	TBD	164.1	100%
o Carryover	TBD	TBD		
Total			164.1	100.0%
MATERIAL HANDLING				
o Containerization Rate	55%	95%		
o Domestic Investment	\$3.9	\$4.4		
o International Investment	\$3.4			

6. FINANCIAL STATUS					
o Investment (Lifetime @Incurred) \$(Million)					
	Calendar Year				
	1993	1994	1995	1996	TOTAL
Domestic Status					
Mfg Tools & Facilities	\$0.7	\$4.8	\$8.3	\$13.8	
Quality Fund - Stamping		3.5	9.0	2.5	15.0
Quality Fund -Vendor		2.1	15.2	2.2	19.5
Acustar Tools & Facilities			0.6	0.7	1.3
Vendor Tooling	2.0	4.1	37.5	43.6	
Material Handling				3.9	3.9
Die Models		0.2	0.2		0.4
Tool Rehab	1.7	5.1	7.3	14.1	
Task					
Provision - PCN's				4.2	4.2
Provision - Econ				5.5	5.5
Contingency				3.2	3.2
P P & L				3.7	3.7
ER & D	4.5	13.7	11.0	2.4	31.6
Sub-Total	\$4.5	\$23.9	\$50.0	\$81.3	\$159.7
Containerization from 55% to 95%				\$4.4	\$4.4
Total Domestic	\$4.5	\$23.9	\$50.0	\$85.7	\$164.1

International Status					
Tools & Facilities		5.3	3.5	9.8	18.6
P P & L			0.5		0.5
ER & D	0.7	5.1	5.5	2.5	13.8
Manufacturing ER & D				0.9	0.9
Total International	\$0.7	\$10.4	\$9.5	\$13.2	\$33.8
TOTAL PROGRAM	\$5.2	\$34.3	\$59.5	\$98.9	\$197.9

o Variable Cost ('94 MY Economics) TRACK MODEL- Domestic				
	1994	1995	1996	1997
Status - PF31	(\$9,287)	(\$9,435)	(\$9,384)	(\$9,737)

o Variable Margin (Average Vehicle) - Domestic				
	1994	1995	1996	1997
Status - PF31	\$7,469	\$7,626	\$7,732	\$7,644

o Profitability - 1997 Program				
	Domestic Program	I/O	Total	
	w/ Quality	w/o Quality	w/ Quality	w/ Quality
DCF/ROI	27%	39%	107%	45%
Profitability Index	1.7	2.4	5.4	2.6
Margin as a % of Revenue w/ Incentives	36%	36%	25%	32%
Margin as a % of Revenue w/o Incentives	42%	42%	25%	37%

7. VEHICLE WEIGHT			
	Status	Objective	
	1993	1996	1997
o XJ-J-72(2.5L/M5)		3,042	3,058 3,097
o XJ-J-74(4.0L/A4)*		3,714	3,760 3,799
*with 33% EPA options- and 300lbs Test Load			

8. MANUFACTURING GROUP				
Assembly Labor	1994	1997	STATUS B/(W)	
	Status	Objective	Objective	Prior
o Average Vehicle (Hours)				
Direct Labor	18.9	18.9		
Indirect Labor Hourly	9.5	8.0		(1.5)
Indirect Labor Salary	2.5	2.3		(0.2)
Total	30.9	29.2		(1.7)
Open Trouble Reports				
o PROCESS PLAN				
F1 - Preliminary Process Sheets		09/17/94		
PO - Complete ODS		10/16/95		

9. FUNCTIONAL TARGETS				
o Vehicle XJ-J-74				
Engine	XJ	Ride (On-road)	XJ	
Driveline	XJ	Handling/Steering	XJ	
Off-road Capability	XJ	Comfort/Convenience	XJ+	
NVH	ZJ	(1994)		
Note:	Aerodynamics and Dimensional Objectives are Carryover 1996 XJ.			

**1997 XJ CHEROKEE PROGRAM
FINANCIAL REVIEW
For February 4, 1994 PPC**

1. PROGRAM EXPENDITURES (Incurred Economics in Millions)	Best in Class Quality			PPC Program Status	Status B/(W) Concept
	Concept	Adjusted Concept	Adjusted Concept		
Domestic Program					
Tooling & Facilities*	\$69.1	\$34.5	103.6	\$124.4	(\$20.8)
Material Handling @ 95%				\$4.4	(\$4.4)
PP&L	3.7		3.7	3.7	
ER&D	31.6		31.6	31.6	
Total Domestic Program	\$104.4	\$34.5	\$138.9	\$164.1	(\$25.2)
International (T & F) *	18.6		18.6	\$18.6	
International (ER&D)	14.7		14.7	14.7	
International (PP&L)	0.5		0.5	0.5	
Total	\$138.2	\$34.5	\$172.7	\$197.9	(\$25.2)
Risk & Opportunities				\$1.4	

2. 1997 TRACK MODEL VARIABLE COST - (Per Unit at 1994 Economics)	PPC Program Status	STATUS (O)/U 1996 MY
Material	\$8,206	(\$478)
Assembly Labor & Burden @ 94 Conditions	787	28
Other Variable Costs (IBT, OBT, Warranty)	744	97
Total	\$9,737	(\$353)
Concept Objective	\$9,779	(\$395)
Status B/(W) Than Objective		\$42

3. 1997 VEHICLE PRICING - WSD (Per Unit at 1994 Economics)	PPC Program Status	STATUS (O)/U 1996 MY
Average WSD - Domestic XJ Utility	\$17,682	\$257

4. 1997 MY AVERAGE DOMESTIC MARGINS (Per Unit At 1994 Economics)	Concept Objective	PPC Program Status	STATUS (O)/U Concept	STATUS (O)/U 1996 MY
XJ Variable Margins	\$6,915	\$7,644	\$729	(\$88)
Less Incentives	(\$1,100)	(\$1,100)	\$0	\$100
Net After Incentives	\$5,815	\$6,544	\$729	\$12
Risk & Opportunities		(\$17)		

5. ANNUAL VOLUMES (000) (Model Year Shipments)	12/2 FPV				
	1995	1996	1997	1998	1999
U.S.	112	110	106	111	105
Canada & Mexico	9	10	8	8	8
BUX	26	25	22	21	19
Sub-Total -Business Plan	147	145	136	140	132
Memo: Free Demand 1/10	186	190	188	185	182
CKD - 12/2 FPV	24	27	37	44	48
Total Business Plan 12/2 FPV	171	172	173	184	180
TOTAL Incrementality of the Program- Domestic			16	16	15
TOTAL Incrementality of the Program			41	41	40

6. PROFITABILITY INDICATORS (Includes Quality Funding)	Domestic	International	TOTAL PROGRAM
DCF/ROI	26.7%	107%	45%
Profitability Index (P.I. Net of Incentives)	1.7	5.4	2.6
Margin as a percentage of revenue (w/ Incentives)	36%	25%	32%
Margin as a percentage of revenue (w/o Incentives)	42%	25%	37%

*Note: adjusted to reflect the December LRP.

Product Financial Analysis

31-Jan-94 01:37:11 PM MRH c:\123r31\PPC\6panel

**1997 XJ FRESHENING PROGRAM
CONTENT COMPARISON TO 1996 M.Y.**

ITEMS	Track/Veh. Variable Cost	Average Variable Margin	Investment (000)	Investment B/(W) Concept	COMMENTS
<u>POLICY/REGULATORY ITEMS</u>					
<u>EMISSION SYSTEM</u>					
-OBDII & NR Fuel					Moved to 1996.
-Revise Exhaust System					Close coupled mini-Cats/similar to YJ
	\$0	\$0	\$625	\$1,150	
<u>Federal Regulations</u>					
-Clean Air Act					Moved to 1998.
	\$0	\$0	\$1,500	\$0	
<u>TOOL REHAB & MISC.</u>					
-Refurbish Assy., Stmpg., & Vendor					
	\$0	\$0	\$20,353	(\$231)	Rehab hood, cowl, fenders, doors, Qtrs, Roof, Pillars
<u>DRIVER & PASSENGER AIRBAG</u>					
-Air Bag Module & Brkt.	(\$80)				Driver & passenger Airbag Modules & PAB Door
-New I/P & Top Cover	(\$40)				New instrument panel; cluster bezel & column brkts.
-Revise dash & cowl panels	(10)				Revise dash & cowl panels for new I/P & strg. col.
-AECM Module & Sensors	(65)				Air Bag Control Module
	(\$195)	\$25	\$17,501	(\$2,273)	Priced @220 WSD - Market Value
<u>ELECTRICALS</u>					
-I/P cluster, switches & controls	(52)				New cluster & switches & telltales
	(\$52)	(\$52)	\$720	(\$285)	
<u>HEVAC UNIT & CONTROLS</u>					
	\$6	\$6	\$1,109	(\$44)	Revise HEVAC unit/controls/Ducts/Conden/Plumb
<u>PL STEERING COLUMN & YJ WHEEL</u>					
	\$5	\$5	\$2,843	(\$1,293)	New steering column-"PL"/tilt/nontilt same as YJ
<u>NEW PEDALS, LEVERS, & HOUSING</u>					
	(\$8)	(\$8)	\$1,265	(\$670)	New clutch, brake, Accel Pedals, Linkages Trans & T/F Case Levers, & Housing
<u>NEW FLOOR CONSOLE</u>					
	\$6	\$6	\$2,162	(\$713)	New floor console with cup holders
<u>STEEL LIFTGATE</u>					
-Body-In-White	\$27				Mfg, Stmpg & Dies & Assy T&F
-Misc. Body-In-White	(4)				B-I-W Roof, sill, cross member, & header changes
-L/Gate Latch & Striker Assy.	0				Changes to latch & striker
-Liftgate Handle & Rod	(3)				New Handle
-L/Gate Glass	(1)				New glass
-Interior Trim Panel	(5)				New Liftgate trim panel
-Moldings & Seals	(7)				New seals & mldgs. for l/gate glass changes
-CHMSL	3				CHMSL relocated above glass
-License plate lamp & wiring modules	(2)				Lamp & Wiring changes
	\$8	\$8	\$16,192	(\$2,688)	
<u>NEW TAILLAMPS</u>					
	\$0	\$0	\$1,210	(\$310)	New taillamps and mtg. panels
<u>REMOTE CLUTCH RESERVOIR & ATT PLAT</u>					
	(\$1)	(\$1)	\$179	(\$79)	New reservoir to slave cyl hyd fluid line
<u>CORPORATE RADIO PROGRAM</u>					
	\$65	\$65	\$30	\$0	New corp. radio system - radio/cassette/CD
<u>SEAT & TIB</u>					
	(\$30)	(\$30)	\$200	\$500	New seat sew style & fabrics
<u>DOOR IMPROVEMENTS</u>					
	(\$76)	(\$76)	\$19,712	(\$9,773)	New door inners (\$11), molded door trim panels (\$40) New door glass & misc BIW changes (\$14), ventless glass (\$11)
<u>FIT & FINISH</u>					
	(\$5)	(\$5)	\$1,100	\$0	

**1997 XJ FRESHENING PROGRAM
CONTENT COMPARISON TO 1996 M.Y.**

ITEMS	Track/Veh. Variable Cost	Average Variable Margin	Investment (000)	Investment B/(W) Concept	COMMENTS
EXTERIOR QUALITY & APPEARANCE					
-Grille & headlamp bezels	(1)				New grille insert, New h/lamp bezels
-Moldings, Badges & Stripes	(29)				New B/S molding & sill piece & steel rail; low & highline
-15 X 7 Aluminum Wheels	0				New 15x7 Alum. Wheel(58 1/2" track)
-New Bumpers, Endcaps & Flares	(34)				Bumper endcaps W/integral guards & Airdam changes Bumper Guards priced @ 28 WSD
-New Park/Turn/Side Lamps	(4)				New parking, turn, & sidemarker lamps
-ZJ Style Door Handles & Hardware	(8)				New door handles & hardware (ZJ style)
-New Roof Rack	2				ZJ style Roof Rack Quality Improvement
-New G.O.P. & Mtg. Changes	(7)				Quality anf manufacturing Improvements
-Outside Mirrors	0				Quality Improvement Windnoise Reduction
	(\$81)	(\$53)	\$15,999	(\$5,981)	
ADJUSTABLE TURNING LOOPS	(\$19)	(\$19)	\$850	\$530	Restraint Improve & Adj Turning Loops-F&R Seat comfort, quality, atl fed reg
NEW WIRING SYSTEM & ELECTRICALS					
-New Wiring System & Connectors	(4)				New vehicle wiring & upgraded conn. improve quality
-Junction Block	(35)				New Junction Block
-Electronic Horn	(3)				Add Hi-note electronic horn
	(\$42)	(\$42)	\$5,083	\$1,795	
FRT. & REAR DOOR SEALS	(\$23)	(\$23)	\$175	\$200	
ZJ TYPE ENGINE/TRANS. MOUNTS	(\$10)	(\$10)	\$1,600	\$0	Quality Improvements
OTHER NON-LISTED-					
-Contingency			\$3,473		Contains Material Handling ER&D
-Economics			\$5,452		
-Tool Change Provision & Linears	(\$26)	(\$26)	\$4,144		
-Sealer/Adhesive			\$800	\$0	Quality Improvements
- Mfg Paint & Solvents	\$0	\$0	\$110	\$15	Improved New Door Seals
-Misc Content Changes				(\$637)	Deleted new wiper system + air cleaner changes + task
TOTAL PRODUCT ACTIONS	(\$478)	(\$230)	\$124,387	(\$20,787)	
OTHER					
95% Containerization	\$32	\$32	\$4,400	(\$4,400)	
Manufacturing Labor savings (1 Hour)	28	28			
Other VCR Tasks & Provisions	65	82			
TOTAL PROGRAM	(\$353)	(\$88)	\$128,787	(\$25,187)	

Product Financial Analysis
A:\XJPPC\XJExplane
January 19, 1994.

ATTACHMENT 11

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Two Pages:

Chrysler Times corporate front page newspaper article describing internal reorganization and the role Product Planning Committee members, highlighting Executive Vice President of Engineering Mr. Francois J. Castaing, who was also the Product Executive responsible for all Jeep programs.



Times

A weekly newspaper for Chrysler employees and their families

Lutz named Chrysler Corporation President

Chrysler reorganizes to promote teamwork

Chrysler made a series of organization changes Jan. 14, most of which are designed to strengthen the company's commitment to the platform team concept.

• Robert Lutz has been named President of Chrysler Corporation. His former title, President of Chrysler Motors, as well as the title of Chairman of Chrysler Motors, have been discontinued. Lutz is responsible for all North American automotive activities including sales, marketing, product development, procurement and supply, and manufacturing. He is also responsible for Acustar, Chrysler's parts subsidiary, and Chrysler operations in Mexico.

In addition, four general man-

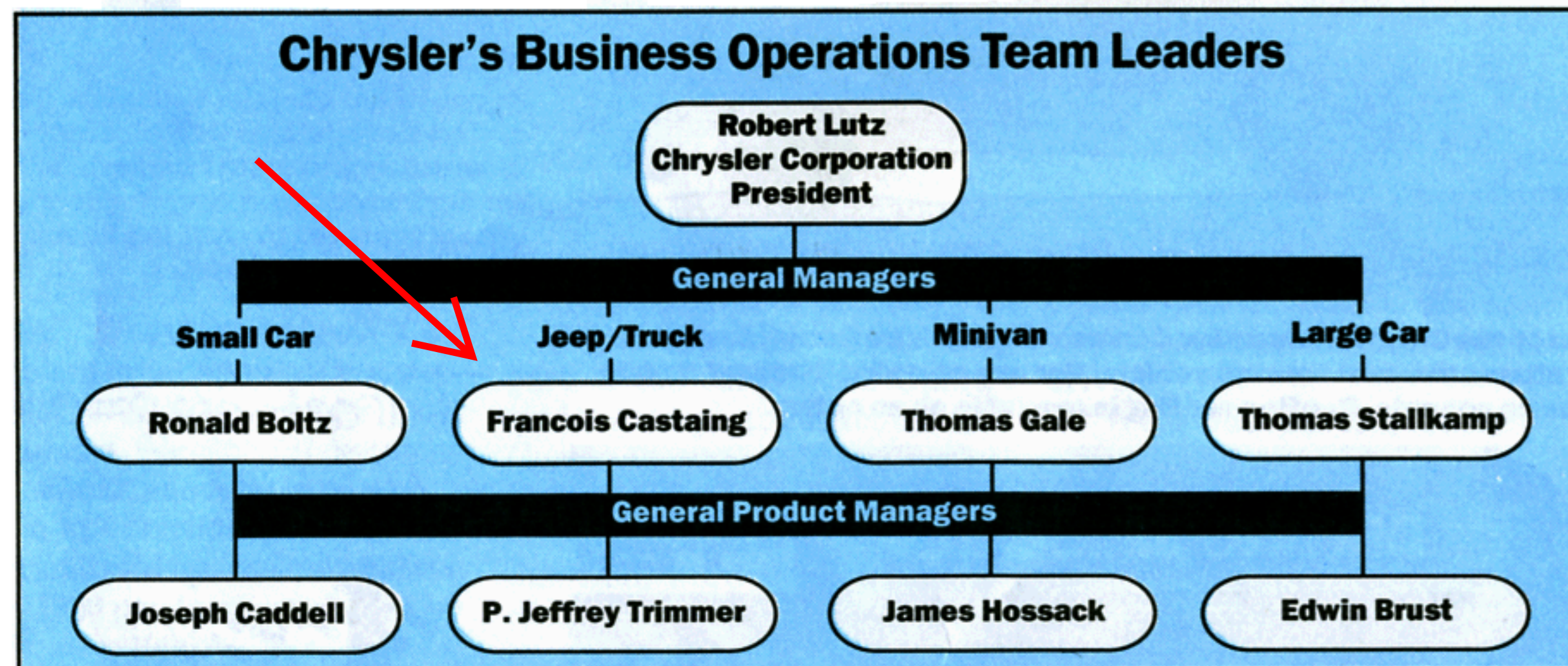
agers were appointed to coordinate all product development and market and consumer inputs for both current and future product lines. The four appoint-

ees are all currently company vice presidents and will retain their present areas of responsibilities in addition to their new general manager duties. All four

executives report to Lutz.

• Ronald Boltz has been appointed General Manager—Small Car Operations and con-

see Platform, page 4



Briefs

Gulf crisis prompts security measures

Chrysler Security and Fire Prevention departments have increased precautionary security measures at U.S. manufacturing plants and major office locations in response to the Persian Gulf situation and the possibility of terrorist attacks.

Many of the preparations may not be noticeable, but increased personal identification and vehicle checks at traffic gates may result in delays while entering or leaving Chrysler facilities.

The Security Office also asked that employees notify local security personnel if they hear or notice anything out of the ordinary—for example, a package in an unusual location or unknown people or vehicles loitering around plant entrances.

International travel curtailed

Chrysler Special Security Operations issued a travel advisory suspending all international business travel with the exception of

brand-name drug whose patent has expired. A generic drug is sold under a common or "generic" name for that drug, not the brand name. Generics often become available for sale shortly after the patent on the brand-name product expires. And generic drugs usually cost less than brand-name drugs, yet work just as well.

There are more than 200 manufacturers of generic drugs in the United States. Some companies make only generic drugs while other companies make

generic drugs.

If you have a specific question about your prescription, ask your pharmacist. In about two out of three cases, when a generic drug is available, the pharmacist will dispense a generic drug rather than a brand-name drug. This is because generic drugs cost less and save patients money, and they usually achieve the same medical results.

If you're concerned about the safety of your generic product, ask your pharmacist. Pharmacists receive bulletins from the

Remember, if you have a prescription that you are supposed to take until it is gone, do not stop taking it unless you have checked with your physician or pharmacist.

If your doctor determines it is medically necessary for you to receive a brand-name drug, he or she will write "DAW" (dispense as written) on the prescription. If your doctor does not specify DAW, and you request the brand-name drug from the pharmacist, you will be responsible for the difference in cost.

TRANSPLANT SURVIVAL RISING

continued from page 1

increase in Japanese U.S. transplant production in recent years," Iacocca said.

"With their U.S. transplant factories producing 1.5 million units annually and growing, and with Japan's market share in the United States at 30 percent and growing, now would be an appropriate time for Japan to agree to a total market share restraint that would include both transplant and imported units.

"This approach would allow

continued growth in U.S. transplant operations while Japan built-up imports, which contain no U.S. added value and support no U.S. manufacturing jobs would decline," Iacocca said.

Following Japan's announcement on import restraints, 19 members of Congress released a letter they sent to Japan's Prime Minister Toshiki Kaifu expressing disappointment in Japan's response to the Gulf crisis and urging "meaningful" restraints on auto exports. Ford Chairman Harold Polling also called Japan to roll back its exports.

Platform team concept expands; general managers named

continued from page 1

continues as Vice President—Product Strategy and Regulatory Affairs.

• Francois Castaing has been appointed General Manager—Jeep/Truck Operations and continues as Vice President—Vehicle Engineering.

• Thomas Gale has been appointed General Manager—Minivan Operations and continues as Vice President—Product Design.

• Thomas Stallkamp has been appointed General Manager—Large Car Operations and continues as Vice President—Procurement and Supply.

Chrysler Chairman Lee Iacocca said, "The platform team concept we launched for the development of the new LH pro-

gram is succeeding beyond our most optimistic expectations.

"The cross-functional teamwork idea is working so well that we decided to apply it to all of our product lines and broaden it to include not only the product development process, but also the important market and consumer inputs necessary to bring world-class vehicles to market.

"These new general managers," Iacocca added, "will be positioned to pull it all together because that's what it's going to take to compete in the '90s—great products totally in sync with our customers."

The new Business Operations activities will be organized on a cross-functional team basis and will incorporate Chrysler's ex-

isting platform team functions, expanded to include representatives from planning, sales, marketing, service and consumer activities.

Each of the team managers will have a general product manager:

• Edwin Brust has been appointed General Product Manager—Large Car.

• Joseph Caddell has been appointed General Product Manager—Small Car.

• James Hossack has been appointed General Product Manager—Minivan.

• P. Jeffrey Trimmer has been appointed General Product Manager—Jeep/Truck.

Chrysler also announced that Thomas Denomme has been named Executive Vice Presi-

dent—Corporate Staff Group. He had been Vice President—Corporate Planning and External Affairs.

Effective with this change, Anthony St. John, Vice President—Employee Relations, and Gino Giocondi, Vice President—Quality and Productivity, will now report to Denomme. They had reported to Lutz.

Denomme's responsibilities include Strategic Planning, Communications, Civic and Government Affairs, and Washington Affairs, in addition to Employee Relations and Quality and Productivity.

Concurrently, Corporate Economist Donald Hilty is reassigned from Denomme to Chrysler Corporation Vice Chairman R. Steve Miller Jr.

Times

Chrysler Times is published by Communication Programs, a department of Chrysler Corporate Communications, for all Chrysler employees, retirees and their families. Comments or questions should be addressed to:

CHRYSLER TIMES
Allan Nahajewski, Editor
Pamela M. Gross, Associate Editor
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News updates are available daily through the *Chrysler Employee News Daily* system. Call tieline 876-2345 or, via computer, touch PF1 on the InfoCenter Main Menu.

Chrysler Times is printed on recyclable paper.

ATTACHMENT 10

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Five Pages:

Monroney Labels depicting dealership Manufacturers Suggested Retail Price (MSRP) data for various Jeep models.

Jeep

VEHICLE DESCRIPTION

JEEP CHEROKEE BRIARWOOD 4WD 4DR

Exterior Color:
DARK CORDOVAN METALLIC

Interior:
POWER SEATS-LEATHER/VINYL TRIM

Powertrain:
4.0 LITRE "POWER TECH 50X" ENGINE
AUTOMATIC TRANS W/ "SELECT TRAC"

STANDARD EQUIPMENT

STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE
(UNLESS REPLACED BY OPTIONAL EQUIPMENT)

- *ELECTRONIC MULTI-POINT FUEL INJECTION
- *"SELES-TRAC" 2-SPEED FUL/PART-TIME 4WD SYSTEM W/
- *"SHIFT-ON-THE-FLY" 2WD TO 4WD CAPABILITY
- *AUTOMATIC FRONT AXLE DISCONNECT SYTEM
- *POWER FRONT DISC AND REAR DRUM BRAKES
- *STABILIZER BARS, FRONT & REAR
- *20 GALLON FUEL TANK
- *RECLINING LEATHER "WING-BACK" BUCKET SEATS
W/ ADJUSTABLE HEADREATS
- *THREE POINT FRONT & REAR RESTRAINT SYSTEM
- *FOLDING REAR SEAT WITH REMOVEABLE CUSHION
- *DAY/NIGHT INSIDE REARVIEW MIRROR
- *INSIDE HOOD RELEASE
- *CARGO AREA & SPARE TIRE COVER, TIE DOWN HOOKS
- *REAR WINDOW DEFROSTER, WIPER AND WASHER
- *HALOGEN HEADLIGHTS AND FOG LAMPS
- *FRONT BUMPER GUARDS, FLOOR MATS AND
CARGO AREA SKID STRIPS
- *INTERMITTENT WIPERS W/ VARIABLE ADJUSTMENT
- *GAUGE PKG INCL TACH & LCD CLOCK
- *FULL LENGTH CENTER FLOOR CONSOLE
- *ROOF RACK, BRIGHT FINISH W/TIE-DOWNS
- *TINTED GLASS - ALL WINDOWS
- *CLEARCOAT PAINT
- *WOODGRAIN APPEARANCE ACCENTS W/PINSTRIPES
- *EXTRA-QUIET INSULATION
- *UNIQUE "BRIARWOOD" INTER & EXTERIOR APPOINTMENTS

Form 54-110 100-11300

vw: 1J4-PN7956ML-513813 S.O. NO. XJN-RN533001

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SALESD, OHIO U.S.A. 4484

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SALESD, OHIO U.S.A. 4484

SALESD, OHIO U.S.A. 4484

BRIARWOOD

1991 MODEL YEAR

PRICE INFORMATION

MANUFACTURER'S SUGGESTED RETAIL PRICE OF
THIS MODEL INCLUDING DEALER PREPARATION

BASE PRICE FOR THIS MODEL: \$ 26,310.00

*AIR CONDITIONING	NO CHARGE
*HEAVY DUTY BATTERY & ALTERNATOR	NO CHARGE
*ALUMINUM CROSSWIRE WHEELS (4)	NO CHARGE
*POWER STEERING	NO CHARGE
*POWER WINDOW AND DOOR LOCK GROUP WITH REMOTE LOCKING FEATURE	NO CHARGE
*POWER 6-WAY DRIVER AND PASSENGER SEATS WITH STORAGE POCKETS	NO CHARGE
*DUAL POWER SIDEVIEW MIRRORS	NO CHARGE
*OVERHEAD CONSOLE W/COMPASS,SUNGLASS AND GARAGE DOOR OPENER STORAGE, THERMOMETER & COURTESY LIGHTS (REPLACED BY SUNROOF IF ORDERED)	NO CHARGE
*SPEED CONTROL W/RESUME FEATURE	NO CHARGE
*TILT STEERING WHEEL	NO CHARGE
*LEATHER WRAPPED STEERING WHEEL	NO CHARGE
*AM/FM E.T. STEREO CASSETTE W/6-SPKRS	NO CHARGE
*LIGHT GROUP INCL DUAL LIGHTED VISOR MIRRORS & COURTESY LIGHTS	NO CHARGE

DARK CORDOVAN METALLIC CUSTOMER PREFERRED OPTION (26M)	\$ 173.00
-TOW PKG B INCLS EQUALIZING HITCH, "7-WIRE HARNESS; H.D. RADIATOR; *AUX. TRANSMISSION OIL COOLER"	\$ 358.00
FOUR WHEEL ANTI-LOCK BRAKE SYSTEM AUTOMATIC TRANS W/ "SELECT TRAC" *FULL/PART TIME 4WD SYSTEM*	\$ 799.00
FRONT VENT WINDOWS	\$ 91.00
LICENSE PLATE BRACKET	NO CHARGE
CONVENTIONAL SPARE (TMD) & 5TH WHEEL TIRES P215/75R15 BSW ALL WEATHER (4)	\$ 175.00
TOTAL VEHICLE & OPTIONS	\$ 27,926.00

DESTINATION CHARGE	\$ 465.00
TOTAL BEFORE DISCOUNT	\$ 28,371.00

THIS VEHICLE FEATURES DISCOUNT PACKAGES THAT LOWER THE PRICE BY:	-5 1,600.00
---	-------------

TOTAL PRICE: * \$ 26,771.00

Compare this vehicle to others in the FREE GAS MILEAGE GUIDE available at the dealer.

CITY MPG

15

Gas Mileage
Information



HIGHWAY MPG

20

THIS VEHICLE IS
PROTECTED WITH



Actual Mileage will vary with
options, driving conditions,

1991 CHEROKEE 4WD

For Comparison Shopping,
all vehicles classified as

1995 MODEL YEAR

Jeep GR CHEROKEE ORVIS EDITION

PRICE INFORMATION

MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION

Base Price: \$30,687

Jeep Grand Cherokee 4WD 4Dr Limited
 Exterior Color: Moss Green Pearl Coat
 Interior Color: Champagne/Green
 Interior: Leather Low Back Bucket Seats
 Engine: 4.0 Litre "Power Tech Six" Engine
 Transmission: 4-Speed Automatic Transmission

STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)

- *Quadra-Trac All-the-Time 4WD System
- *Driverside Airbag
- *4 Wheel Anti-Lock Disc Brakes
- *Quadra Coil Front and Rear Suspension
- *Power Steering
- *Vehicle Theft Security System
- *Illuminated Entry
- *Cladding - Body Color with Gold Insert
- *Remote Electric Heated Mirrors
- *Intermittent Windshield Wipers/Rear Wiper
- *Roof Rack
- *Luxury Aluminum Wh.
- *P225/70R15 OWL Eagle GA Tires
- *Fog Lamps
- *Extra Quiet Insulation
- *Reclining Front Wingback Leather Bucket Seats
- * with Adjustable Headrests
- *60/40 Folding Rear Seat w/Headrests
- *Floor Console with Armrest, Storage & Cupholders
- *Infinity Gold 120w AM/FM Stereo Cassette Radio
- *8 Infinity Speakers (in Six Locations)
- *Deep Tinted Glass
- *Leather Wheel, Tilt Column & Speed Control
- *Automatic Temperature Control - Non CFC Refrigerant
- *Luxury Group - Night Vision Safety Mirror,
- *Automatic Headlamps, Power Front Seats &
- *Vehicle Information Center
- *Power Group - Windows, Locks, Keyless Entry
- *Rear Seat Floor Heating Ducts
- *Protection Group - Floor Mats/Cargo Cover
- *Rear Window Defroster
- *Remote Electric Heated Mirrors-Body Color

PRICE INFORMATION (cont'd)

- *Intermittent Windshield Wipers
- *Side Door Guard Beams
- *Rear Door Child Safety Locks
- *Overhead Console with Compass, Outside Temperature
- *Trip Computer, Garage Door Opener & Sunglass Storage Area.

OPTIONAL EQUIPMENT

- | | |
|--|--------------|
| Orvis Package #26L | \$663 |
| <ul style="list-style-type: none"> * Orvis Decor Group * Up-Country Suspension Group <ul style="list-style-type: none"> - Tires: P245/70R15 OWL A/T - Skid Plates / Tow Hooks - Special Shock Absorbers - Full Size Spare Tire * Trailer Tow Prep Group <ul style="list-style-type: none"> - Rear Axle w/ 3.73 Ratio - Auxiliary Trans Oil Cooler | |
| Trailer Tow Group | \$258 |
| <ul style="list-style-type: none"> * Hitch Receptacle / Wire Harness | |
| Rear Trac Lock Differential | \$285 |
| Infinity Gold AM/FM/Compact Disc | \$170 |
| DESTINATION CHARGE | \$495 |

TOTAL PRICE: * \$32,558

Assembly Point/Port of Entry: DETROIT, MICHIGAN, U.S.A.

VIN 1J4-GZ78S0SC-599416

LA-VIN 1091

1129

SHIP TO: 26247 41
 WILLIAMSBURG JEEP-EAGLE
 7277 RICHMOND ROAD
 WILLIAMSBURG VA 23188

SALE TO: 95 26247
 WILLIAMSBURG JEEP-EAGLE
 7277 RICHMOND ROAD
 WILLIAMSBURG VA 23188

THIS LABEL IS ADDED TO THIS VEHICLE TO COMPLY WITH FEDERAL LAW. THE LABEL CANNOT BE REMOVED OR ALTERED PRIOR TO DELIVERY TO THE ULTIMATE PURCHASER.

* STATE AND/OR LOCAL TAXES, IF ANY, LICENSE AND TITLE FEES, AND DEALER SUPPLIED AND INSTALLED OPTIONS AND ACCESSORIES ARE NOT INCLUDED IN THIS PRICE DISCOUNT, IF ANY. ** BASED ON PRICE OF OPTIONS IF PURCHASED SEPARATELY.



**2012 MODEL YEAR
JEEP GRAND
CHEROKEE LIMITED
4X4**
PRICE INFORMATION
MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION
Base Price: \$ 39,295
JEEP GRAND CHEROKEE LIMITED 4X4
Exterior Color: Mineral Gray Metallic Clear Coat Exterior Paint

Interior Color: Black Interior Color

Interior: Leather-Trimmed Bucket Seats

Engine: 5.7-Liter V8 VVT Engine with Fuel Saver Technology

Transmission: 6-Speed Automatic Transmission

STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)
FUNCTIONAL/SAFETY FEATURES

Quadra-Trac II(R) 4WD System

Selec-Terrain System

Hill Descent Control

Advanced Multistage Front Airbags

Supplemental Side-Curtain Front and Rear Airbags

Supplemental Front Seat-Mounted Side Airbags

LATCH-Ready Child Seat Anchor System

Electronic Stability Control

ParkView(R) Rear Back Up Camera

ParkSense(R) Rear Park Assist System

Keyless Enter-N-Go

Hill Start Assist

Trailer Sway Damping

Antilock 4-Wheel Disc Brakes

Security Alarm

Speed Control

Remote Start (standard on Laredo X)

Rain Sensitive Windshield Wipers

Active Head Restraints

Automatic On/Off Headlamps

INTERIOR FEATURES

Heated Front Seats

Heated Second Row Seats

Pwr 8-Way Driver Seat w/Memory and 8-Way Pass Seat

Driver / Passenger Power 4-Way Lumbar Adjust

Rear 60 / 40 Folding and Reclining Seat

Air Cond w/ Dual Zone Auto Temp Ctrl and Air Filter

Electronic Vehicle Info Center w/ Reconfig Display

(2) 12-Volt Auxiliary Power Outlets

Media Center 430N SAT/CD/DVD/MP3/HDD/NAV

Garmin(R) Navigation System

8.5-Inch Touch-Screen Display

USB Port for Mobile Devices

SiriusXM Satellite Radio w/ 1-Yr Radio Subscription

For More Information, Call 1-888-539-7474

Uconnect(R) Voice Command with Bluetooth(R)

9 Premium Speakers with 506-Watt Amp and Subwoofer

Leather-Wrapped Steering Wheel with Audio Controls

Tilt / Telescope Steering Column

EXTERIOR FEATURES

18-Inch x 8.0-Inch Aluminum Polished Wheels

P265/60R18 BSW All Season On/Off-Road Tires

Command View Dual-Pane Panoramic Sunroof

Smartbeam Headlamps

Fog Lamps

Bi-Xenon Headlamps with Auto Leveling System

Dedicated Daytime Running Headlamps

Power Heated Memory Multi-Function Mirrors

PRICE INFORMATION (contd.)**OPTIONAL EQUIPMENT**
 Customer Preferred Package 24H
5.7-Liter V8 VVT Engine with Fuel Saver Technology

\$ 1,695

Anti-Lock 4-Wheel Disc Heavy Duty Brakes

 Dual Bright Rear Exhaust Tips
Media Center 730N SAT/CD/DVD/MP3/HDD/NAV

\$ 465

 40 GB Hard Drive with 20 GB Available
GPS Navigation with Voice Command
SiriusXM Traffic / 1-Yr SiriusXM Traffic Service

20-Inch x 8.0-Inch Aluminum Premium Painted Wheels

\$ 795

265/60R20 Black Side Wall All Season Tires

DESTINATION CHARGE \$ 925
TOTAL PRICE: * \$ 43,175

Compare this vehicle to others in the FUEL ECONOMY GUIDE available at the dealer.

CITY MPG

13

HIGHWAY MPG

20

Actual mileage will vary with engine, driving conditions, driving habits and vehicle condition. Always reported by EPA indicate that the majority of vehicles with these attributes will achieve between

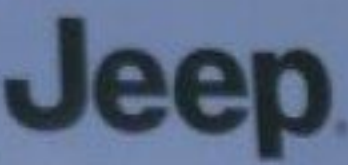
10 and 16 mpg in the city, and between 10 and 18 mpg on the highway.



For Comparison: Mileages of all vehicles listed on

have been based on highway mileage ranging from 10 to 20 mpg city and 10 to 30 mpg highway.

Estimated Annual Fuel Cost \$ 1,300



2013 MODEL YEAR

GRAND CHEROKEE SRT8 4X4



THIS VEHICLE IS MANUFACTURED TO MEET SPECIFIC UNITED STATES REQUIREMENTS. THIS VEHICLE IS NOT MANUFACTURED FOR SALE OR REGISTRATION OUTSIDE OF THE UNITED STATES.

MANUFACTURER'S SUGGESTED RETAIL PRICE OF THIS MODEL INCLUDING DEALER PREPARATION

Base Price: \$59,995

JEEP GRAND CHEROKEE SRT8 4X4
Exterior Color: Bright White Clear Coat Exterior Paint
Interior Color: Black Interior Color
Interior: Leather-Trimmed Seats with Preferred Suede
Engine: 6.4-Liter V8 HEMI® Engine w/Fuel Saver Technology
Transmission: 5-Speed Automatic Transmission

STANDARD EQUIPMENT (UNLESS REPLACED BY OPTIONAL EQUIPMENT)

FUNCTIONAL/SAFETY FEATURES
Quadra-Trac® Active On Demand 4WD
Electronic Limited-Slip Rear Differential
Performance Tuned Steering
Active Damping Suspension
LED Daytime Running Headlamps
Advanced Multistage Front Airbags
Supplemental Side-Curtain Front and Rear Airbags
Supplemental Front Seat-Mounted Side Airbags
Anti-Lock 4-Wheel Disc Performance Brakes
Child Seat Anchor System-LATCH Ready
Electronic Stability Control
ParkView Rear Back-Up Camera
ParkSense® Rear Park Assist System
Blind Spot and Cross Path Detection
Forward Collision Warning
Keyless Enter-N-Go
Security Alarm
Rain-Sensitive Windshield Wipers
SRT® Track Experience: drivesrt.com to Register

INTERIOR FEATURES
Steering Wheel Mounted Shift Control
Heated Steering Wheel
Power Tilt / Telescoping Steering Column
Heated Front Seats
Ventilated Front Seats
Heated Second-Row Seats
Pwr 8-Way Driver Seat w/Memory and 8-Way Pass Seat
Leather-Wrapped Instrument Panel / Center Armrest
Bright Pedals
Air Conditioning with Dual Zone Auto Temp Control
Electronic Vehicle Information Center
Uconnect®: 7.0IN CD/DVD/MP3/HDD/NAV
GPS Navigation
6.3-Inch Touch Screen Display
Remote USB Port
SiriusXM Satellite Radio w/ 1-Yr Radio Subscription
For More Information, Call 888-539-7474
9 Amplified Speakers with Subwoofer

EXTERIOR FEATURES
20-Inch x 10.0-Inch Forged Aluminum Wheels
295/45ZR20 BSW All Season Tires

Pirelli Brand Tires
Run Flat Tires
Premium Fog Lamps
Automatic High Beam Headlamp Control
Bi-Xenon Headlamps
Pwr Heat Mem Multi-Function Mirrors w/Man Fold-Away
Power Liftgate

OPTIONAL EQUIPMENT

Customer Preferred Package 29M \$2,495
Jeep Black Gloss Badging
20-Inch x 10-Inch Forged Aluminum Wheels
Alpine® Package
Black Grille
Rr Fascia Black Gloss Step Pad Ring
"SRT8" Badge
Black License Plate Brow
Trailer Tow Group IV \$995
7 and 4 Pin Wiring Harness
Class IV Receiver Hitch
Delete Rear Tow Hook
Steel Spare Wheel
Full-Size Spare Tire
SRT® High-Performance Audio \$1,995
19 Premium Speakers including Subwoofer
825-Watt Amplifier
Dual-Pane Panoramic Sunroof \$1,395
295/45ZR20 BSW 3 Season Tires \$895

DESTINATION CHARGE \$925

TOTAL PRICE: * \$68,695

WARRANTY COVERAGE

5-year or 100,000-mile Powertrain Limited Warranty.
3-year or 36,000-mile Basic Limited Warranty.
Roadside assistance; certain restrictions apply.
Ask Dealer for a copy of the limited warranties or see your owner's manual for details.

**5 YEAR / 100,000 MILE
POWERTRAIN WARRANTY**

Assembly Plant/Part of Entry: DETROIT, MICHIGAN, U.S.A.



SAFETO 4384 28
ROYAL GATE CHRYSLER DODGE JEEP
15502 MANCHESTER RD
ELLISVILLE MD 20711-3079

SAFETO 51 4384
ROYAL GATE CHRYSLER DODGE JEEP
15502 MANCHESTER RD
ELLISVILLE MD 20711-3079

THIS LABEL IS ADDED TO THIS VEHICLE TO COMPLY WITH FEDERAL LAW. THE LABEL CANNOT BE REMOVED OR ALTERED PRIOR TO DELIVERY TO THE ULTIMATE PURCHASER.
* STATE AND/OR LOCAL TAXES IF ANY, LICENSE AND TITLE FEES AND DEALER SUPPLIES (GO AND INSTALLED) OPTIONS AND ACCESSORIES ARE NOT INCLUDED IN THIS PRICE. DISCOUNT, IF ANY, IS BASED ON PRICE OF OPTIONS IF PURCHASED SEPARATELY.

GT CARLOT.COM

ATTACHMENT 12

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

Two Pages:

Mr. Edward Ivey memo of 29 June 1973 entitled:

“Value Analysis of Auto Fuel Fed Fire Related Fatalities.”

A cursory review of this type of document confirms that it contains nothing of a “*proprietary, trade secret or confidential*” nature, and therefore nothing deserving of a court ordered “*protective order.*”

The Ivey memo, similar to a vast majority of the documents sought in EA12-005 or Jeep litigations, is a document that the defense bar deems non-supportive and is therefore unable to locate.

VALUE ANALYSIS OF AUTO FUEL FED
FIRE RELATED FATALITIES

Accident statistical studies indicate a range of 650-1,000 fatalities per year in accidents with fuel fed fires where the bodies were burnt. There has been no real determination of the percent of these people which were killed by the violence of the accidents rather than by fire. The condition of the bodies almost precludes making this determination.

Based on this statistic and making several assumptions, it is possible to do a value analysis of automobile fire related fatalities as they relate to General Motors.

The following assumptions can be made:

1. In G.M. automobiles there are a maximum of 500 fatalities per year in accidents with fuel fed fires where the bodies were burnt.
2. Each fatality has a value of \$200,000.
3. There are approximately 41,000,000 G.M. automobiles currently operating on U.S. highways.

Analyzing these figures indicates that fatalities related to accidents with fuel fed fires are costing General Motors \$2.40 per automobile in current operation.

$$\frac{500 \text{ fatalities} \times \$200,000 \text{ fatality}}{41,000,000 \text{ automobiles}} = \$2.40/\text{automobile}$$

This cost will be with us until a way of preventing all crash related fuel fed fires is developed.

If we assume that all crash related fuel fed fires can be prevented beginning with a specific model year another type analysis can be made.

Along with the assumptions numbered above the following assumptions are necessary:

1. G.M. builds approximately 5,000,000 automobiles per year.
2. Approximately 11% of the automobiles on the road are of the current model year at the end of that model year.

PURSUANT TO PROTECTIVE ORDER

This analysis indicates that for G.M. it would be worth approximately \$200 per new model auto to prevent a fuel fed fire in all accidents.

500 fatalities x 11% new model autos = 55 fatalities in new model autos

$\frac{55 \text{ fatalities} \times \$200,000/\text{fatality}}{5,000,000 \text{ new model autos}} = \$2.20/\text{new model auto}$

This analysis must be tempered with two thoughts. First, it is really impossible to put a value on human life. This analysis tried to do so in an objective manner but a human fatality is really beyond value, subjectively. Secondly, it is impossible to design an automobile where fuel fed fires can be prevented in all accidents unless the automobile has a non-flammable fuel.

E. C. Ivey
E. C. Ivey
Advanced Design

pb

6-29-73

EARL LINDSEY VS GMC

PURSUANT TO PROTECTIVE ORDER

002361

ATTACHMENT 13

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

One Page:

Loman's Auto Group (and now NHTSA) is completely knowledgeable of the fact that has never been a defendant in a MHE fire death litigation subsequent to an accident involving one of the Ford Explorer vehicles that it sold and continues to sell through its Ford franchise.

This legal fact is consistent with the technical facts forwarded to the NHTSA ODI and the NHTSA Office of General Counsel by the Center for Auto Safety on 13May2011:

“ . . . a 70 MPH rear impact of a 2003 Ford Taurus into a 1995 Ford Explorer with 70% engagement in which the Explorer suffered no breaching of the fuel system or fuel leakage. This was the test which was attended by staff of the Office of Defects Investigations and the Office of Chief Counsel.”

CENTER FOR AUTO SAFETY

1825 CONNECTICUT AVENUE NW SUITE 330 WASHINGTON DC 20009-5708
202-328-7700 ◆ www.autosafety.org

May 13, 2011

Mr. Frank Borris, Director
Office of Defects Investigation
National Highway Traffic Safety Administration (NHTSA)
1200 New Jersey Avenue, SE
West Building
Washington, DC 20590

Dear Mr. Borris:

Attached please find two data CD's containing reports, data, photos, and video of the August 5, 2010 Federal Highway Administration 70 MPH rear impact of a 2003 Ford Taurus into a 1995 Ford Explorer with 70% engagement in which the Explorer suffered no breaching of the fuel system or fuel leakage. This was the test which was attended by staff of the Office of Defects Investigations and the Office of Chief Counsel. The 1995 Ford Explorer showed vastly better fuel system integrity than its contemporary peer 1995 Jeep Grand Cherokee given that the Explorer saw a 39 mph velocity change versus a 23 mph velocity change for the Grand Cherokee which had the fuel filler hose separate from the fuel tank. (Please note the one data sheet has an obvious typo for Grand Cherokee in that 37.0 mph should be 37.0 kph as shown in the velocity traces data which are attached.)

Additionally, CAS has uploaded video from the Karco and FHWA data CD's provided to NHTSA during our April 21 meeting. The reports and video from these tests is located on our website at <http://www.autosafety.org/jeep-grand-cherokee-crash-tests>.

CAS requests that these materials be placed in the investigatory file for PE10-031. Please contact me at (202) 328-7700 or by email at mbrooks@autosafety.org if you have any questions or issues with the enclosed materials.

Sincerely,

Michael Brooks
Staff Attorney

ATTACHMENT 14

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)

One Page:

Legal definition of Gross Criminal Negligence.

Criminal Gross Negligence

“Gross negligence” is culpable or criminal when accompanied by acts of commission or omission of a wanton or willful nature, showing a reckless or indifferent disregard of the rights of others, under circumstances reasonably calculated to produce injury, or which make it not improbable that injury will be occasioned, and the offender knows or is charged with knowledge of the probable result of his acts; “culpable” meaning deserving of blame or censure.

Bell v. Commonwealth, 170 Va. 597, 195 S.E. 675, 681.

END OF DOCUMENT

Mr. David L. Strickland
Administrator
NHTSA Headquarters
1200 New Jersey Avenue, SE
Washington, DC 20590
202-366-4000

12 February 2013

Subject: Proposed EA-012 Recall Remedy: Financial Comparison and Priorities Summary

Reference 1: EA12-005 File Update (Chrysler Jeep Fuel Tank System Safety Defect)
