



CHRYSLER

**Michigan House of Representatives
Transportation Committee**

HB 4961

Testimony

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Mr. William Cook

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Supply Chain Management

Chrysler Group LLC

Madame Chairwoman and Members of the Committee, thank you for the opportunity to speak to you today. My name is William Cook. I'm the Senior Manager, International Logistics and Customs in Chrysler Group's Supply Chain Management Department. I'm here today to express Chrysler's support for the Detroit River International Crossing.

I would quickly like to share some key facts about Chrysler Group's presence here in Michigan.

- More employees than any other state: 19,704
- More annual wages than any other state: \$2.1 billion
- More retirees and surviving spouses than any other state: 50,000
- More annual pensions than any other state: \$1.4 billion
- More suppliers than any other state: 2,700
- Major facilities:
 - Headquarters and Technology Center in Auburn Hills
 - Assembly plants in Detroit, Warren, Sterling Heights
 - Stamping plants in Warren and Sterling Heights
 - Engine plants in Detroit, Trenton and Dundee
 - Proving grounds in Chelsea
 - Parts distribution operations in Warren, Centerline and Marysville
- 107 Chrysler, Dodge, Jeep and Ram dealers
- Since 2003, corporate investments in our facilities exceed \$3 billion

Chrysler also has a significant presence in Canada.

- 9,400 employees
- 2 assembly plants, a parts plant and a research and development center
- 50 suppliers that ship components to 97 locations
- 440 dealers

On March 15, Chrysler Group CEO Sergio Marchionne spoke at the Canadian – U.S. Automotive Dinner sponsored by the Consul General of Canada, the Automotive Parts Manufacturers Association and the Original Equipment Suppliers Association. I thought I would share with you his comments about the Detroit River International Crossing.

Every day, the combined U.S. and Canadian auto industry sends thousands of cross-border truck shipments and well over \$100 million of goods across the Detroit-Windsor border. These trucks carry vehicles and production parts that are destined for automotive assembly plants in Michigan, Ontario as well as other U.S. states.

The integration of our industry makes the movement of trade between the U.S. and Canada important and dependent on each other. The North American automobile industry and the hundreds of thousands of employees in vehicle assembly and parts production depend on the smooth flow of just-in-time deliveries across this critical border gateway.

In light of the importance of efficient and effective infrastructure to the success of the automotive industry, Chrysler strongly supports the partnership between the governments of Michigan and Ontario, as well as the United States and Canada, as they work toward securing a new gateway at Detroit/Windsor.

The automotive industry continues to support the proposed Detroit River International Crossing, or DRIC. This proposed new crossing would add redundancy and unimpeded access from Ontario's highways to Michigan's interstates.

DRIC will bring \$1.8 billion in investment to the Detroit - Windsor area and would create 10,000 construction jobs in Michigan and generate another 30,000 indirect jobs in Michigan and Windsor.

In the coming months, the Michigan Legislature will consider a bill to authorize construction of the new DRIC bridge. It is my sincere hope that the Legislature will pass the bill by the June 1st deadline.

The need for an additional crossing to handle current and future trade flows is widely acknowledged and it is imperative that this new crossing be completed as soon as possible. It's important to our collective future.

Just as this border crossing depends on a business-government strategic partnership, Chrysler is relying on another partnership as a key for its revival.

Mr. Marchionne's comments illustrate the importance of the DRIC to Chrysler. We move over 1,300 shipments; 2,000 cars and trucks; and make over 1,600 customs entries per day. We also have hundreds of employees who cross the border to work in the U.S. or Canada. Most importantly, Chrysler's manufacturing process is integrated throughout all of our North American plants. For example, Michigan-made engines from Trenton or stampings from Warren or Sterling Heights cross the border daily for use at our Windsor and Brampton Assembly Plants. Ensuring smooth crossing for both commerce and people is essential.

The men and women at Chrysler are working hard every day to turn the company around and to repay the U.S. taxpayers. As we recently reported some good news: our positive operating result in the first quarter of this year is a concrete indication to our customers, dealers and suppliers that the 2010 targets we set for ourselves are achievable. We are confident that sales will continue to increase as we launch new products in the second quarter, beginning with the all-new 2011 Jeep® Grand Cherokee, which is built at the Jefferson North Assembly Plant in Detroit. Later this year, Chrysler will launch 16 all-new or refreshed products including the all-new Chrysler 300, Dodge Charger and the Sebring replacement.

Thank you again for the opportunity to speak today and I encourage you to support HB 4961 and pass the bill by the June 1st deadline.