

SHOWROOM

JOURNAL

Auto task force in lengthy talks on Chrysler, GM

By KEN THOMAS, Associated Press

WASHINGTON—The Obama administration's auto industry task force met last March 5 with representatives of General Motors' bondholders and the chief executive of Fiat Group SpA, who said the Italian automaker could revive the fortunes of Chrysler LLC.

The panel held lengthy meetings with executives and lawyers for two important parts of the proposed turnaround plans for General Motors Corp. and Chrysler. Those companies are surviving on \$17.4 billion in government loans and seeking billions more to stay afloat.

White House spokesman Robert Gibbs said the team had been meeting "round the clock to come up with a solution to this crisis." "There's no doubt that all the stakeholders involved are going to have to give in order to ensure that that restructuring takes place," Gibbs said.

Advisers to GM bondholders met with Steve Rattner and Ron Bloom, top aides to Treasury Secretary Timothy Geithner, and other members of the panel for two hours. GM is negotiating with its bondholders to cut two-thirds of its \$27 billion in unsecured debt under the terms of the loan agreement with the government.

The advisers to the bondholders declined comment. They were expected to outline several options to reduce the Detroit automaker's unsecured debt and discuss whether the government would guarantee new bonds that GM would issue as part of its restructuring.

Earlier, Fiat's chief executive, Sergio Marchionne, said the task force was receptive to a proposed partnership that would give Fiat a 35 percent stake in Chrysler in exchange for new technology, but no cash.

"We can add value," Marchionne said. "That's the real issue and it's a necessary ingredient of the revival of Chrysler."

Hurt by a steep decline in auto sales and past poor decisions, General Motors and Chrysler have requested an additional \$21.6 billion to help them restructure. The government is trying to revamp the companies by March 31, but could call back the loans if the automakers fail to win concessions from stakeholders.

Adding to the concerns, GM's auditors said last March 5 in a report there was "substantial doubt" that GM could stay in business.

Members of the task force are scheduled to meet with GM and Chrysler executives in the Detroit area on Monday and tour their facilities, said two officials familiar with the plans. They spoke on condition of anonymity because they were not authorized to discuss the

plans publicly.

Chrysler contends the alliance with Fiat would help both companies. Fiat could give Chrysler a broad array of fuel-efficient small and mid-size cars, something the Auburn Hills, Mich.-based company lacks, and provide Chrysler with access to foreign markets.

Fiat's Marchionne has sought a US partner to bring Fiat's successful update of the 500 subcompact and its sporty Alfa Romeo brand to the United States. He said the panel "wanted to know what the industrial alliance will look like and what it will look like after we're finished."

"I think they were intelligently critical of all things that were relevant ... and rightly so. They're looking

at taxpayers' funding," he said. "They recognize the magnitude of the problem and there is an absolute determination to find a solution."

Some members of Congress have questioned whether

the government should save a company with a significant foreign stake in a major US automaker. Marchionne said "nothing is going to be taken out of the US and the main objective is to repay every single dollar of taxpayer funding before anyone gets anything." ■



Senate vote to take cars from repeat DUI offenders

SALT LAKE CITY—The Utah Senate has agreed to take away the cars of anyone convicted of driving under the influence who has a prior felony DUI conviction and was driving on a suspended driver's license.

Senate President Michael Waddoups, R-Taylorsville, said passing House Bill 151 is critical to any efforts to normalize the state's notoriously quirky liquor laws. The Senate has expressed resistance to bringing Utah's liquor laws in line with the rest of the country because it fears it could lead to more drunk drivers. Waddoups says without the bill's passage, a compromise wouldn't be possible.

The bill, sponsored by Rep. Christopher Herrod, R-Provo, passed in the Senate Wednesday, 25-1.

It needs one more formal reading before advancing to the governor. (AP)

Electric cars could be allowed on more Colo. roads

By COLLEEN SLEVIN Associated Press

COLORADO lawmakers are considering allowing small, slow electric cars on more roadways to reduce pollution and gasoline dependence.

The Senate gave initial backing Wednesday to a measure (Senate Bill 75) that would allow the cars on state highways with speed limits of 35 mph or less. Currently the cars, which can go up to 25 mph, are allowed on roads that aren't state highways or don't cross one.

The bill would allow the vehicles to cross state highways with speed limits above 35 mph.

Bill sponsor Sen. Gail Schwartz, D-Snowmass Village, said some citizens in her town use the cars, equipped with snow tires, for errands and to take their children to school. She said families could use the cars, which start at \$9,000, as an alternative to a traditional second car.

"Why drive 5,000 pounds to the grocery store for some milk?" Schwartz asked.

The vehicles would have to meet federal safety standards. Owners would have to pay to register them, including increased fees signed into law by Gov. Bill Ritter this week.

Sen. Greg Brophy, R-Wray, said electric cars were getting a free ride because owners don't pay gasoline taxes that

help fund road construction and maintenance. He proposed imposing a surcharge for all electric cars, including upcoming, faster models like the Chevy Volt, based on estimates of how many miles they'll be driven.

Revenue from the state gas tax, last raised in 1991, hasn't kept up with the cost of road repairs partly because cars are more fuel efficient.

Senate Minority Leader Josh Penry, R-Grand Junction, said the state needs to find an alternative to the gas tax but should still promote electric cars as a way to reduce reliance on foreign oil. He said one possibility is to swap the gas tax for a state sales tax, an idea proposed by former Republican gubernatorial candidate Bob Beauprez.

Meanwhile, Sen. Suzanne Williams, D-Aurora, said she planned to reintroduce an alternative - charging people based on how many miles they drive.

The idea originally was included in the bill that raised car registration fees and opened the door to tolling on existing roads. It was yanked following opposition from rural lawmakers. They said their constituents would pay more because they drive longer distances.

Williams said a pilot program would track how many miles people drive but not where they're driving. ■

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