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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
	:	
In re	:	Chapter 11
	:	
Chrysler LLC, <i>et al.</i> ,	:	Case No. 09-____ ()
	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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DECLARATION OF FRANK J. EWASYSHYN

I, Frank J. Ewasyshyn, make this Declaration under 28 U.S.C. § 1746 and state:

1. I have worked for Chrysler LLC (“Chrysler,” the “Company,” or the “Debtors”) for more than 32 years. For the past five years I have held the title Executive Vice President of Manufacturing, which means I am responsible for all assembly, stamping, and powertrain manufacturing operations at our more than thirty facilities worldwide.

2. I have spent my entire professional life working for Chrysler and, more particularly, in and around its manufacturing facilities. Except as otherwise indicated, my testimony in this Declaration is based upon my personal knowledge, my review of business records or my first-hand experience and knowledge acquired in the ordinary and regular course of Chrysler’s business as to the matters described in this Declaration. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

3. I began with Chrysler as a Maintenance Foreman in 1976 and over the next 10 years worked in various manufacturing management and planning positions. In 1986 and 1987 I was the Production Manager at two of our assembly plants. From 1988 to 1991 I was the Director of Advanced Manufacturing Engineering and, in 1991, became the General Manager of Large and Small Car Platform Assembly, a position I held until October 1994 when I became the Vice President of Advance Manufacturing Engineering. In September 1999 I became the Senior Vice President of Advance Manufacturing Engineering and, finally, in May 2004 was appointed to my current position, Executive Vice President of Manufacturing.

4. I earned a B.S. (in 1974), a Masters in Electrical Engineering (in 1976), and an M.B.A (in 1989), all from the University of Windsor, Ontario, Canada. In 2001, the University of Windsor awarded me an honorary doctorate degree.

5. I am a member of the Society of Manufacturing Engineers, Society of Automotive Engineers, Engineering Society of Detroit, Institute of Electrical & Electronic Engineers, and the Association of Professional Engineers of Ontario, Canada (where I am a licensed engineer).

6. Due to my professional background and experience I am intimately familiar with automotive manufacturing, plant operations, machinery and equipment, processes and logistics. Essentially I oversee the management and operation of all of our plants to ensure that we are building quality cars on time. In this capacity, I can speak with expertise about the impact that an extended shutdown would have on our business, especially during this time of year. I can also detail the crucial role we play for our suppliers and dealers and, equally important, the crucial role they play for us.

7. I am advised that a sale of the Company's assets to Fiat could take a year or more if standard chapter 11 procedures are followed. In my opinion, such a sale would be rendered moot as our business will perish well before then. While no one can predict with definitiveness the precise breaking point, one thing is certain: the longer the delay the greater the probability that (a) we will lose hundreds of millions in revenue to be realized from new models, Chrysler's parts division (called Mopar), and its Parts Depot Centers (PDCs), (b) existing customers will suffer terribly as replacement parts for their cars become unavailable, further deteriorating brand value and compromising the government's Warranty Commitment Program, (c) our key employees will seek greener pastures and (d) our suppliers and dealers will either transition to other partners or, more likely, fail themselves. As I explain below, the players in this industry – the suppliers, manufacturers and dealers – are all inextricably linked together. An extended temporary shutdown for Chrysler may create a domino effect that will irreparably injure our

partners and jeopardize our existence. Once that occurs, no new owner or management, no matter how experienced or committed, will be able to make meaningful use of our assets.

**Delay Poses Grave Risks to Product Development,
Revenue, and The Future of New Chrysler**

8. Worldwide, Chrysler operates 14 assembly plants, 3 central stamping plants, 1 die shop, and 13 powertrain plants. We also operate 23 PDCs in the United States, Canada, and Mexico which provide parts for our dealers.

9. I am advised that the shutdown to occur upon Chrysler's bankruptcy filing will differ significantly from our usual shutdowns because we will be stopping all of the work we are presently doing in connection with next year's models, and will be doing so during the most critical part of our year. This will delay the launch of next year's models, thereby jeopardizing hundreds of millions of dollars in revenue. I cannot stress enough the need for us to complete the sale quickly and return to production.

10. We can, and indeed do, bi-annually institute managed shutdowns. Our annual summer shutdown is more aptly described as a transition period, a week or two during which we transition to producing the next year's model. Our December shutdown is a holiday hiatus that has been tradition in our industry for many years. While automotive assembly ceases during both these periods, much continues to be done and, importantly, they do not occur during spring, the most important part of our year.

11. Traditionally, Chrysler begins the development process approximately two years prior to launch of a new model. In broad terms, product development involves two phases: (a) virtual engineering and design and (b) durability, reliability, and validation testing. In the engineering and design phase, concepts are created for new models in order to meet consumer preferences in style, reliability, and performance. In the durability, reliability, and validation

phase, pilots are constructed and physically tested in our labs and on our test tracks (for things such as performance and impact scenarios) and are examined to ensure they meet emission standards and other regulatory requirements. During this process, we work regularly with our suppliers on part approval, tooling, certification and product improvements to ensure the quality of each new model. This collaboration becomes even more constant and important as we near actual production.

12. Prior to instituting these proceedings, we were in the midst of developing the 2011 Jeep Grand Cherokee pilots for assembly at our Jefferson North plant. All the virtual engineering for this model took place back in 2008. In January 2009, we began the initial phase of testing at Chrysler Technology Center in Auburn Hills. At that time we conducted various impact and performance tests. We were planning to proceed as we usually do during May and June. That is, continue to test and work with our suppliers to refine the pilots so that we could tool and stamp this September to allow for a launch in April 2010.

13. Due to the shutdown, this phase of this development will cease completely, something that has never happened before and that will obviously jeopardize our launch. A week's delay during this period does not simply translate into an additional week when we restart. The longer we are down the greater the multiplier that must be used to calculate the amount of time to achieve launch. We will lose some of the learning and expertise we have developed with regard to the new model. We cannot simply restart months from now and expect to return to where we are in the process today. The top portion of the graphic attached as Exhibit A reflects production sequencing for the 2011 Grand Cherokee and the 1.5 times delay multiplier that I believe to be a reasonable assumption.

14. In addition, the actual production of the new 2010 models can proceed only after this year's cars are finished. For example, once operations restart, we would need to first finish this year's models presently sitting on the assembly line. Only then could we turn our attention back to future models. Adjustments to the manufacturing processes to permit the manufacture and assembly of 2011 models (as well as the modification of existing models) would be delayed further by any tooling improvements that Chrysler and our suppliers would need to attend to in order to begin assembly on those vehicles, assuming such suppliers still exist and remain committed to us.

15. Consider, for example, our Brampton assembly plant, which was scheduled to have been converted to the tooling specifications for the 2011 Dodge Charger over the period we are shutdown. That conversion will now be delayed and will take four weeks. The bottom half of Exhibit A depicts how, in my opinion, an interruption during this critical period will result in a much longer delay on the back end, perhaps delaying our planned September 2010 launch of this model well into the first quarter of 2011.

16. If the new Dodge Charger model launch is delayed significantly, our "new" models (when eventually launched) would be late to the market compared to our competitors, severely undermining our ability to compete. Thus, delay will cost us significant revenue, perhaps totaling over \$100 million and could jeopardize the success of the new company.

**Delay Poses Grave Risks to Existing Customers, Brand Value
And the Effectiveness of the Government's Warranty Commitment Program**

17. In addition to the devastating effect of an extended temporary interruption on new model launch, the planned shutdown, unlike our normal shutdowns, will reduce our PDCs' inventory levels. Within weeks our dealers' ability to repair and service vehicles will, in large part, discontinue. In most cases, dealers attain parts from the 23 PDCs that can deliver within

twenty-four hours. If operations are shutdown, the PDCs will not be able to get parts to the dealers who, in turn, will be unable to service customer vehicles. In my opinion, existing inventory for perishable items like oil filters, wiper blades, and bulbs will likely run out in 28 days. Non-perishable parts like transmission components and torque converters can only be attained by our PDCs from our manufacturing plants, but those plants will be shutdown. Once that inventory runs out, the only likely source for such parts is a junk-yard.

18. So, 4 weeks from today a customer who purchased a Chrysler 300 will pull into his local dealer to have a tail light repaired or a windshield wiper replaced and will be unable to get the parts necessary to service his warranty claim. The same scenario will occur daily at thousands of dealer locations throughout the country. The inability to service warranty claims will severely compromise the government's Warranty Commitment Program. And the inability of our dealers to stand behind and service and repair the cars we have sold will greatly injure customers and further devalue our brand name. The longer the sale of assets to Fiat is delayed the more likely this devastating scenario will occur.

Delay Poses Grave Risks to Our Ability To Retain Talent

19. We must move quickly if we expect to retain our best and brightest. As it is, each plant will run on a skeleton staff of 18 people during the hibernation period, as opposed to the 3,500 employees that normally staff each plant. In particular, managers, engineers, and younger employees, those that Chrysler depends on for the viability of its future, will move on to pursue other opportunities. As a result, Chrysler's ability to restart manufacturing would be even more challenging, without such skilled, bright, experienced workers. Because of the uncertainty in filling those positions, each plant would need to be restarted slowly in what is referred to as a

“loss authorization” period. This period will last three days and could result in the loss of 21,249 units at a cost of \$23.2 million and a profit loss of \$108.4 million.

Delay Poses Grave Risks To Chrysler’s Suppliers and Dealers

20. Our business depends on a special relationship that automotive manufacturers have with their suppliers. Each supplier contributes a unique product that fits into a precise, sequenced assembly process. Internally, we group and refer to suppliers in tiers, such as “Tier 1” and “Tier 2” suppliers. Tier 2 suppliers typically supply components to Tier 1 suppliers that, in turn, assemble those components and sell them as assembled to Chrysler.

21. Regardless of tier position, suppliers in our network are dependent on our continued operation. An extended interruption of Chrysler’s operations will have a catastrophic effect on our already severely distressed suppliers. Chrysler’s suppliers, in addition to the suppliers of Ford and General Motors, are on the verge of collapse. After several months of low car sales, reduced car production and limited availability of credit, suppliers are in a precarious position and are nearing the breaking point. When a car manufacturer’s production facilities are closed, no parts are ordered. After a few weeks without new orders, our suppliers will be compelled to terminate workers to stave off bankruptcy. As a result, the supplier’s restart becomes even more difficult without the skilled and knowledgeable workers it was forced to release. Additionally, the longer a supplier keeps its doors closed, the more expensive it is to resume operations, assuming it can resume at all.

22. Even if a supplier is able to survive in this environment it will need to retool and begin work with another manufacturer. As times goes by, with no end in sight, suppliers will have to turn their attention to other manufacturers, leaving Chrysler unable to procure parts when it restarts operations. Thus, a Chrysler shutdown will jeopardize suppliers which, in turn, will

threaten the emergence of a new Chrysler. Put another way, this is a symbiotic relationship in which we all need each other to survive. The loss of a single supplier, just one, can cripple our production. Because of the highly engineered nature of Chrysler's vehicles, the goods and services purchased from suppliers for use in the operation of Chrysler's facilities are available, as a practical matter, from a single supplier only. In other words, we do not "dual tool," which means there is a lack of redundancy in the supply chain. We have worked for years with specific suppliers to create and manufacture various components. This time-consuming, iterative process requires the development and continuing refinement of technical specifications. For that reason, we are dependent on our vast and integrated supplier network for our continued viability. We cannot simply switch suppliers quickly.

23. To manufacture a single car requires the effort of numerous suppliers, and the absence of some could render it impossible to produce vehicles in a timely fashion. Each completed automobile is comprised of parts that come from hundreds of different suppliers scattered across the nation, as well as our own geographically dispersed plants. For example, there is no "Dodge Ram Truck plant" that manufactures and assembles a completed Dodge Ram Truck. The engine, transmission and stamping each come from separate plants. Our Saltillo and Mack engine plants provide the engine, our Kokomo and Indiana 1 plants supply the transmission, and our Warren, Sterling, and Twinsburg plants provide the stamping. In addition, we need components from over 4,000 supplier locations and parts from another 500 supplier locations for this one vehicle. The engine itself involves a combination of the efforts of hundreds of companies. Components from over 200 different Tier 2 supplier locations are shipped to either Saltillo or Mack Engine to manufacture the engine which, once completed, is shipped using rail and truck to our Warren Truck Assembly. Many of these suppliers are, at least

in the near term, irreplaceable and their demise could destroy us. Exhibit B is a graphic I prepared to visually demonstrate the numerous companies that must work together to produce this one truck.

24. I am aware that GM recently announced sequenced down-weeks, that vary in duration, at thirteen of their plants for a nine week period. I understand that production will continue in the plants that remain open and, importantly, that there will be no disruption of operations that are in the process of launching new products. While this will help alleviate some of the impact of GM's shutdown, the combined effect of Chrysler's and GM's interruptions will only exacerbate the harm to suppliers.

25. Chrysler's dealer network will also be devastated by an extended temporary shutdown. Chrysler's revenue is solely and exclusively dependent on its dealers. Dealers both sell and service our vehicles. If Chrysler operations cease, consumer traffic will slow, if not stop, and subsequent sales and revenues will drop precipitously. Dealer cash flow and working capital will shrink from the loss of sales.

Risks to Plant Assets

26. During our regular shutdowns, development and production continues (albeit at a slower pace), plants remain staffed (with reduced manpower), fluids continue to flow, PDCs remain open (to support dealers), and dealers continue to sell. Most importantly, every part of the chain knows we are returning at a date certain. That is not the case with the current planned shutdown where development and production will cease entirely and PDCs will be forced to close.

27. A complete "lights out" shutdown, one where all activity halts, including the flow of liquids, would be disastrous even in the short term. Paint, coolants and sealers – the fluids

that flow through the lines and equipment – are perishable lubricants that must continue to flow, even when we are not producing cars, such as during our bi-annual shutdowns (described above). After just a few weeks of stagnation, coolants will separate and sealers will harden. Paint must continually move through circulation lines with other additives and fluids in order to avoid disaster. Paint thickens and separates and can paralyze equipment after just 24 hours if it is not circulating. Chrysler has never instituted an uncontrolled “lights out” shutdown and it would be catastrophic, in my opinion, to do so.

28. The longer a shutdown continues, even if managed as described above, the greater the expense of restarting. Paint should be removed and stored (even if flowing) after 21 days at a cost of \$2 million if the downtime is scheduled to continue after that 21 day period. After 69 days, paint would need to be replaced at a cost of \$15 million, including the cost to clean all the systems.

29. If I knew the precise duration of a shutdown, and was granted enough resources to care for the facilities during this period and enough capital to restart on a date certain, such hibernation would not be problematic. I am very concerned about our facilities where, as here, we are facing an extended shutdown period of indefinite duration, even if managed as described above.

Potential Lienholders

30. Prior to the Petition Date, and in the ordinary course of Chrysler’s operations, certain parties with commercial relationships with Chrysler had the ability to – and did – obtain liens on and interests in property owned by Chrysler, including, in some cases, a right to a lien by virtue of possession of Chrysler’s property (collectively, the “Lienholders”). I believe that the failure to pay the claims of these parties (collectively, the “Lienholder Claims”) could have a

significant adverse impact on Chrysler's chapter 11 estates and on Chrysler's ability to consummate a sale that would maximize the value of its assets. In particular, the failure to pay these claims could result in a lack of access to both personal property and services necessary to implement a sale transaction and a smooth transition to New Chrysler or other purchaser (the "Purchaser"), as well as undermine Chrysler's ability to maintain critical operations at PDCs pending a sale.

31. I refer here to three categories of Lienholder Claims – Shipper Claims, Warehouse Claims, and Customs Claims. With respect to each of these categories of Lienholder Claims, Chrysler's inability to obtain either the personal property of Chrysler in a Lienholder's possession (which is to be sold and transferred to the Purchaser or may be needed for the ongoing operation of PDCs) or the necessary services provided by such Lienholders would impair the ability to complete a sale transaction to the ultimate detriment of all stakeholders. As such, I believe that payment of the Lienholders (in Chrysler's sole discretion) is important to preserve the going concern value of Chrysler's brands and assets in anticipation of a sale transaction.

32. To the extent a Lienholder provides Chrysler with goods or services pursuant to a purchase order or contract, it is my understanding that approval of the payment of related Lienholder Claims at this time generally will not alter the ultimate recovery for such Lienholders, but simply will alter the timing of such payments.

The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Parts, Materials, and Goods Will Require the Payment of Shipper Claims

33. When operating in the ordinary course, Chrysler relies on hundreds of foreign and domestic commercial common carriers, shippers, logistics providers and other third party service providers (collectively, the "Shippers") to transport production parts, raw materials and other

goods before, during and after the manufacturing and assembly process.¹ As a result, and based on the analysis provided to me, I estimate that as of the Petition Date, the Shippers maintained possession of approximately \$510 million of Chrysler's raw materials and component parts.

34. In addition, many of the Shippers have claims for transportation and logistics related services previously provided to Chrysler (collectively, the "Shipper Claims"). If Chrysler fails to pay the Shipper Claims, many of the Shippers may immediately cease providing their essential services to Chrysler and, moreover, refuse to provide such services to Chrysler in advance of a sale.² Any such interruption in obtaining the services and cooperation of the Shippers would: (a) delay the shipment of necessary service parts to Chrysler's operating parts depot, thereby damaging Chrysler's business reputation during a period of intense public scrutiny; (b) delay the delivery of goods already in transit (including goods being delivered from overseas); and (c) adversely affect Chrysler's ability to recommence operations in the period immediately preceding the implementation of any sale.

35. It is my understanding that Shippers typically are entitled to certain liens for the transport or storage of the goods in their possession. I anticipate that Shippers will refuse to deliver such goods before their claims have been satisfied and their liens extinguished. Moreover, even if suitable alternative freight carriers are available, identifying these replacement

¹ In addition to the transportation and logistics services that Chrysler obtains from outside providers, Chrysler Transport Inc. maintains an estimable trucking operation of its own, which employs nearly 950 people (e.g., staff, drivers, mechanics and dispatch personnel), leases approximately 2,500 tractors and trailers, operates three terminals and, in 2008, provided approximately \$120 million to \$150 million worth of annual logistics and transportation services in shipping raw materials and component parts from Chrysler's suppliers to Chrysler's manufacturing facilities and from those facilities to Chrysler's assembly plants. The overwhelming majority of Chrysler's transportation and logistics needs, however, are served by outside providers.

² Even in certain circumstances where Chrysler has contractual relationships with their Shippers, the agreements between the parties do not guarantee that Chrysler will continue to receive necessary transportation services on a continuing basis (e.g., many of Chrysler's agreements with their trucking suppliers are terminable at will by either party upon 30 days' notice).

providers and integrating them into Chrysler's logistics network in the brief period between the Petition Date and the contemplated sale likely would prove impossible.

36. In light of all this, it is imperative that Chrysler be authorized to pay, in their sole discretion, the Shipper Claims. This is necessary to ensure that the essential transportation and logistics services provided by the Shippers, and the valuable goods they control, are available to Chrysler without interruption immediately after the Petition Date (and in advance of a sale). It is also necessary to preserve the going concern value of Chrysler's businesses to the fullest extent possible.

37. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Shipper Claims was approximately \$170 million.

The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Storage Will Require the Payment of Warehouse Claims

38. As an indispensable adjunct to our transportation and logistics operations, Chrysler further engages certain outside providers that supplement our own storage facilities by storing component parts and finished vehicles used in or produced by our manufacturing and assembly operations at a variety of warehouse and storage facilities (collectively, the "Warehouses"). As a result, the owners of the Warehouses (collectively, the "Warehousemen") maintain possession of certain of Chrysler's goods in the ordinary course of their businesses. As of the Petition Date, many of the Warehousemen had claims for storage and related services previously provided to Chrysler (collectively, the "Warehouse Claims").

39. Chrysler's needs for Warehouses fall into two broad categories. First, there are the "In Bound Warehouses" that store component parts prior to the delivery of such goods to our manufacturing and assembly facilities. Second there are the so called "Shipping Holds" that store finished vehicle inventory prior to its delivery to Chrysler's dealerships or other customers.

40. Based on the analysis provided to me, I estimate that the aggregate amount of Warehouse Claims attributable to In Bound Warehouses is approximately \$12.5 million and the aggregate amount of Warehouse Claims attributable to Shipping Holds is approximately \$6 million.

41. It is my understanding that Warehousemen typically are entitled to certain liens for the storage of the goods in their possession. I anticipate that, in the period immediately preceding the consummation of a sale, Warehousemen will refuse to deliver or release goods to Chrysler prior to their claims having been satisfied and their liens extinguished.

42. It is my opinion that any interruption in obtaining the services and cooperation of the Warehousemen would impair Chrysler's ability to ensure the efficient functioning of their manufacturing and assembly facilities in anticipation of a sale. Moreover, given the extent to which the Warehousemen's services are integrated into Chrysler's just in time inventory system (e.g., the adjacent location of certain of the In Bound Warehouses), it is unlikely that, even if suitable alternative warehouse facilities were available in advance of a sale, the increased costs generated by sacrificed efficiency would be warranted by the benefits of transitioning to alternate providers.

43. In light of all this, it is imperative that Chrysler be authorized to pay, in their sole discretion, the Warehouse Claims. This is necessary to ensure that the essential services provided by the Warehousemen, and the valuable goods they control, are available to Chrysler as they may be required in these chapter 11 cases. It is also necessary to preserve the going concern value of Chrysler's businesses to the fullest extent possible.

44. Based on the analysis provide to me, I estimate that, as of the Petition Date, the aggregate amount of Warehouse Claims was approximately \$18.5 million.

The Seamless Transfer of Chrysler's Facilities to the Purchaser and the Need for Customs Services Will Require the Payment of Customs Claims

45. When operating in the ordinary course, Chrysler uses the services of multiple customs brokers, consultants and freight forwarders (collectively, the "Customs Brokers") to provide services that enable us to comply with the complex customs laws and regulations of the United States and other jurisdictions. Generally, our automated systems allow us to comply with customs laws and regulations without turning to outside assistance. Nevertheless, we find it necessary to employ the services of two Customs Brokers. The Customs Brokers are a vital link in Chrysler's integrated distribution system because they complete paperwork necessary for customs clearance, prepare import summaries, facilitate exportation of Chrysler's products, obtain tariff numbers and perform numerous other essential services.

46. Chrysler pays the Customs Brokers fees for their services (collectively, the "Brokers Fees") and reimburses the Customs Brokers for any funds advanced by the Customs Brokers on behalf of Chrysler. Typically, the Customs Brokers advance fees to the United States Customs Service (the "Customs Service") relating to inventory and finished goods delivered to or from locations outside of the United States (collectively, the "Customs Duties"). Customs Brokers will also advance charges of certain ocean, air and land shippers and certain miscellaneous storage and handling expenses (collectively, the "Advances"). As of the Petition Date, certain of the Customs Brokers had outstanding claims for the payment of Brokers Fees, Customs Duties and Advances (collectively, the "Customs Claims").

47. Despite the shutdown of Chrysler's manufacturing and assembly facilities, Chrysler expects to require the ongoing services and cooperation of the Customs Brokers in these chapter 11 cases (e.g., we will require the Customs Brokers to perform services associated with goods currently in transit, as well as in connection with service parts yet to be shipped, from low

cost foreign countries). Accordingly, the payment of the Customs Claims is necessary to prevent any disruption in the current arrangement with the Customs Brokers and to maintain access to the essential services that Customs Brokers provide. The Customs Brokers may immediately refuse to make ongoing Advances and pay Customs Duties in a timely fashion if the outstanding Customs Claims remain unpaid.

48. In addition, it is my understanding that the Customs Brokers may assert the kinds of shipper's, warehousemen's or similar liens described above and, therefore, refuse to release the goods in their possession until such claims are paid and the related lien extinguished. Because the Customs Brokers and the Customs Service regularly hold goods in their possession that have a value that is many times the amounts owed to them by Chrysler, the potential impairment of Chrysler's ability to preserve the uninterrupted flow of service parts to their operating parts depots and to realize the greatest possible value for stakeholders by completing a sale could be substantial. Moreover, nonpayment of Customs Claims could result in fines and storage fees against Chrysler by the Customs Service.

49. Even if Chrysler could replace the Customs Brokers with replacement customs brokers willing to perform the same services, there is no guarantee that the services would be available on a timely basis or on terms as favorable as those Chrysler currently enjoys. Chrysler's Customs Brokers are intimately familiar with our highly automated delivery system, but there is no guarantee that any replacement customs brokers could learn and become proficient with the system in the brief period of time between the Petition Date and the sale. Accordingly, the failure to make payment upon the prepetition claims of the Customs Brokers could pose an obstacle to both Chrysler's efforts to preserve the value of their brands and businesses through the uninterrupted provision of necessary maintenance and service to their end

consumers and the seamless completion of a going concern sale that would maximize the value of Chrysler's assets.

50. In light of all this, it is essential that Chrysler be authorized to pay the Customs Claims in their sole discretion. Based on the analysis provided to me, I estimate that, as of the Petition Date, the aggregate amount of Customs Claims was approximately \$1 million.

51. Chrysler's management has carefully reviewed the facts and circumstances of the potential claims of the Lienholders and has identified a narrow list of such Lienholders the payment of whom would benefit Chrysler's chapter 11 estates by promoting a successful sale and maximizing the value received by Chrysler in connection with such a transaction. Chrysler intends to require clear prospective commitments from these Lienholders to provide necessary services to both Chrysler and the Purchaser (as applicable) in exchange for, and as a condition to, the payment of the Lienholder Claims.

52. Given the scope of Chrysler's businesses and the importance of preserving the vendor constituency to consummating a sale on a going concern basis, I believe that allowing payment of the prepetition claims of Lienholders described above to the extent permitted by, and consistent with, the terms of Chrysler's postpetition financing facility is a reasonable and appropriate expenditure of estate funds.

I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: April 30, 2009

/s/ Frank J. Ewasyshyn
Frank J. Ewasyshyn

EXHIBIT A

2011 W & L Program Development Timelines

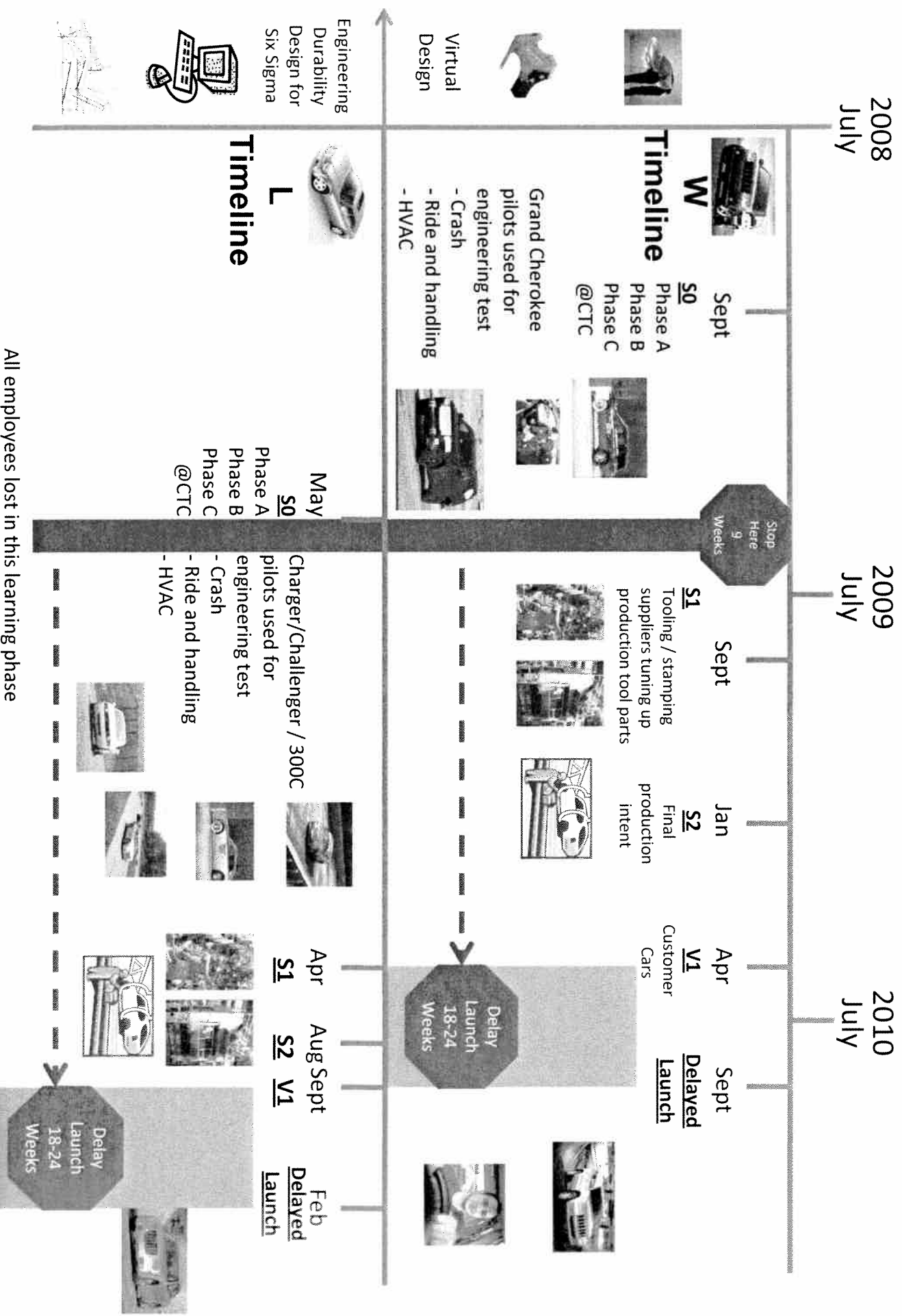




EXHIBIT B


Warren Truck Assembly Plant

Products: Dodge Ram & Dodge Dakota Trucks


Tier II Suppliers:


 Components from 215 Supplier locations →

 Components from 102 Supplier locations to Mack I & Mack II →


 Components from 129 Supplier locations →


 Components from 109 Supplier locations →

 Components from 48 Supplier locations →

 Components from 40 Supplier locations →


 Components from 27 Supplier locations →


 Components from 106 Supplier locations →


 Components from 69 Supplier locations →

**** Components from 4,824 Supplier locations →**

Tier I Suppliers:


 Saltillo Engine Plant ↘


 Mack Engine Plant 1 ↘

 Mack Engine Plant 2 ↘

 Kokomo Transmission →

 Indiana Transmission 1 →


 Warren Stamping Plant →

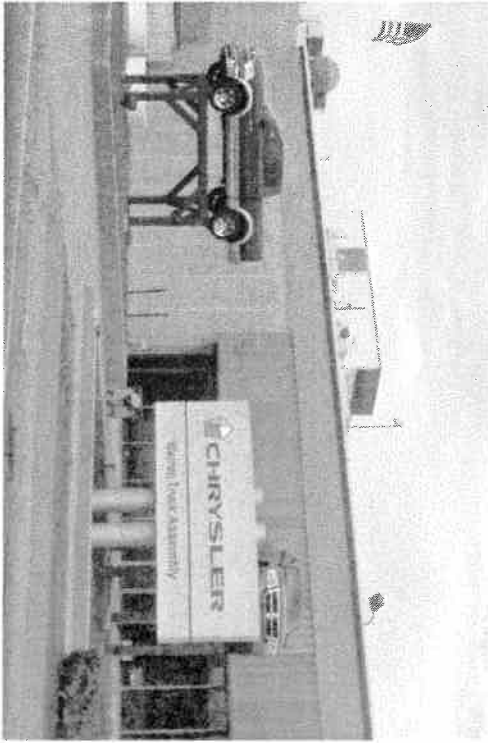
 Sterling Stamping Plant →

 Twinsburg Stamping Plant ↘

 Detroit Axle Plant ↘

 Toledo Machining Plant ↘

 4,400 Parts From 536 Supplier locations ↘



**** Estimate of Tier II and lower suppliers based on an analysis of 2 non Chrysler Tier I suppliers**