

Congress of the United States
Washington, DC 20515

July 15, 2009

Dr. Edward Montgomery, Director of Recovery for Auto Communities and Workers
U.S. Department of Labor, Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

Dear Dr. Montgomery:

We write to you today to make you aware of a developing matter relating to Chrysler Group, LLC ("Chrysler") and its property tax obligations to Howard County and the City of Kokomo.

As you know, the City of Kokomo is home to four Chrysler facilities that employ more than 6,000 Hoosiers. Chrysler is a valued part of the community and the backbone of the local economy. Not surprisingly, it also accounts for a significant portion of the real and personal property tax levies of both the city and the county.

For 2009, Chrysler's total property tax obligation to Howard County and the City of Kokomo is \$16.7 million, or 15% of the area's total levy. Almost half (45%) of Northwestern Schools' transportation and debt service budget for 2009 would come from property taxes paid by Chrysler. We have enclosed for your reference a more detailed breakdown of the extent to which the city, county and its school corporations rely on Chrysler's property tax payments.

Property taxes in the State of Indiana are billed bi-annually. This year, spring payments were due June 19 and fall payments will be due November 10. Chrysler paid the spring installment of its real property tax debt (\$2.2 million) on June 26, leaving an outstanding property tax debt of approximately \$6.1 million. According to city and county officials, Chrysler's attorneys have confirmed that the entirety of the company's personal property tax debt payable in both 2009 and 2010 (\$24.6 million) is the responsibility of "Old Chrysler," which remains in bankruptcy. Given the complexity of any bankruptcy proceeding and uncertainty as to the value of Old Chrysler's assets, we believe city and county officials are rightfully concerned about whether and when full payment might be forthcoming.

For all of the foregoing reasons, we ask that you meet with us to discuss possible solutions to the fiscal problems that would be brought on by Chrysler's failure to pay timely its full personal property tax obligation to Howard County and the City of Kokomo.

Thank you for your prompt personal attention and consideration in this matter. Should you have any further questions, please feel free to contact our staff: Joel Elliott, Representative Donnelly; Brian Fauls, Representative Burton; Jonathan Stahler, Senator Bayh; and Alex Currie, Senator Lugar.

Sincerely,



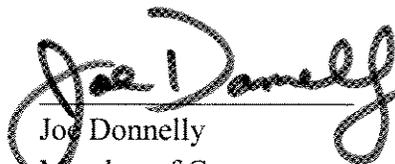
Richard Lugar
United States Senate



Evan Bayh
United States Senate



Dan Burton
Member of Congress



Joe Donnelly
Member of Congress

cc: Mr. Ron Bloom, Senior Advisor Auto Taskforce
Mr. John Bozzella, Chrysler Vice President of External Affairs and Public Policy
Mr. Rahm Emanuel, White House Chief of Staff

2009 PROJECTED LOSS IN REVENUE

HOWARD TWP.					
PARCEL NUMBER	SPRING DUE 06/19/09	FALL DUE 11/10/09	2009 TOTAL	NAV	
34-04-18-152-003.000-007	\$ 1,308,365.98	\$ 1,308,365.98	\$ 2,616,731.96	93,554,950	
34-92-00-008-000.000-007	\$ 2,720,118.30	\$ 2,720,118.30	\$ 5,440,236.60	194,502,560	
Sub-total	\$ 4,028,484.28	\$ 4,028,484.28	\$ 8,056,968.56	288,057,510	
UNIT	RATE	NET ASSESSED VALUE	PROJECTED LOSS IN REVENUE	% LOSS OF TOTAL REVENUE	
COUNTY	0.4612	194,502,560	\$ 897,045.81		
CITY	1.3224	194,502,560	\$ 2,572,101.85		
SCHOOL (NW)	0.8759	194,502,560	\$ 1,703,647.92	30%	
HOWARD TWP.	0.0095	194,502,560	\$ 18,477.74	30%	
LIBRARY	0.1099	194,502,560	\$ 213,758.31		
SOLID WASTE	0.0181	194,502,560	\$ 35,204.96		
	2.7970		\$ 5,440,236.60		

CENTER TWP.					
PARCEL NUMBER	SPRING DUE 06/19/09	FALL DUE 11/10/09	2009 TOTAL	NAV	
34-10-07-200-013.790-002	-	-	-	0	
34-10-07-200-014.000-002	\$ 895,434.05	\$ 895,434.05	\$ 1,790,868.10	66,132,500	
34-10-07-402-006.000-002	\$ 55.51	\$ 55.51	\$ 111.02	4,100	
34-92-00-270-297.000-002	\$ 107.91	\$ 107.91	\$ 215.82	7970	
34-92-00-270-298.000-002	\$ 3,427,267.82	\$ 3,427,267.82	\$ 6,854,535.64	253,121,700	
34-92-00-270-307.000-002	\$ 194.03	\$ 194.03	\$ 388.06	14,330	
Sub Total	\$ 4,323,059.32	\$ 4,323,059.32	\$ 8,646,118.64	319,280,600	
UNIT	RATE	NET ASSESSED VALUE	PROJECTED LOSS IN REVENUE	% LOSS OF TOTAL REVENUE	
COUNTY	0.4612	253,144,000	\$ 1,167,500.13		
CITY	1.3224	253,144,000	\$ 3,347,576.26		
SCHOOL (KOKOMO)	0.7303	253,144,000	\$ 1,848,710.63	12%	
CENTER TWP.	0.0661	253,144,000	\$ 167,328.18	12%	
LIBRARY	0.1099	253,144,000	\$ 278,205.26		
SOLID WASTE	0.0181	253,144,000	\$ 45,819.06		
	2.7080		\$ 6,855,139.52		

TOTALS		
COUNTY	\$ 2,064,545.93	12%
CITY	\$ 5,919,678.11	18%
SCHOOL	\$ 3,552,358.56	SEE ABOVE
CENTER TOWNSHIP	\$ 167,328.18	SEE ABOVE
HOWARD TOWNSHIP	\$ 18,477.74	SEE ABOVE
LIBRARY	\$ 491,963.57	12%
SOLID WASTE	\$ 81,024.03	12%
CHRYSLER'S TOTAL	\$ 12,295,376.12	11%