

'We Can Compete with the Best' – Mulally

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January 24 of 1925, Henry Ford actually took out an advertisement in the *Saturday Evening Post* and it was the most unbelievable statement that I've ever seen and the title of it was, 'Opening the highways to all mankind.' And Henry talked about the size it would take to do that; the travel on the country's highways should be within easy reach of all mankind and we should be able to have great jobs and fabulous careers at Ford and that it needed to make life better, needed to contribute to a better world.

It was just an incredible, compelling vision, so we decided that we were actually going to accelerate Henry Ford's original vision, so then we went to work," he said.

Mulally said they first focused on the Ford brand, then decided they would have a complete family of vehicles.

"Outside of the United States, we had great small and medium-sized vehicles. We decided we wanted to provide the U.S. customers with a complete family like we used to a long time ago, all Ford," he said.

Third, he said, the company made a commitment to be

best-in-class.

"We defined it in terms of quality, fuel efficiency, safety, really smart design like SYNC and MyFord that makes us all better drivers as we're connected to the world, and also the very best value. And, in every one of those attributes, every vehicle that Ford designed and produced going forward would be best-in-class against the best in the world," Mulally said.

The last part of the plan was to utilize the company's global resources.

"We went to the markets with this business plan and took out a small loan of \$23.5

billion and to do that, we had to present a business case," he said.

"We presented our business plan to over 500 bankers and within seven or eight days we had raised \$23.5 billion based on the strength of this business plan, and then we went to work to implement it."

Mulally said he's so proud that the company took the actions that were needed to get back to profitability so they can continue to invest in the new products.

"And now we are profitably growing," he said. "We've picked up market share for 20 of the last 21 months."

Marathon's \$2.2 Billion Renovation At Detroit Oil Refinery is Largest Construction Project in Michigan

By Christine Snyder
Staff Reporter

It may fly in the face of basic business practices to promote less use of your company's product, but for Clarence Cazalot, president and CEO of Marathon Oil, it is the key to survival in a fast-changing industry.

"Conservation is key," said Cazalot at the Detroit Economic Club Sept. 16. "We need to use our resources wisely."

Cazalot called for a plan to transition to a cleaner energy future based on greater energy efficiency and conservation, diversity and increase of sources, and innovative new technologies.

Cazalot said he welcomes innovation from the automotive industry to make vehicles more fuel-efficient.

"There is going to be an evolution in vehicles," said Cazalot, indicating there have already been major milestones made in hybrids, flex fuels, and electric vehicles.

"What we have to sort out is which makes sense, because whatever use, you have to have infrastructure for it . . . so we have some hard choices to make," said Cazalot.

Cazalot and other oil executives can afford to promote conservationism since all indications are that its future isn't in immediate danger.

"Oil will be with us for a long time," said Cazalot.

With developing countries driving the expected increase in demand for energy 40 percent between 2007 and 2030, the International Energy Agency (IEA), projects fossil fuels will remain the dominant sources of primary energy worldwide.

The IEA predicts about 80 percent of total global energy demand will come from fossil fuels in 2030, about the same as today.

The U.S. will still get about 78 percent of its energy from fossil fuels in 2030, according to the U.S. Energy Information Administration, said Cazalot.

Why? "It's simply the reality of the immense scale of global energy infrastructure and the time and investment it takes to build assets like nuclear plants or develop renewable fuels or power at sufficient scale to make a difference," said Cazalot.

Marathon is diversifying its fossil fuel portfolio. It is the largest blender of ethanol in the world. It is also invested in Mascoma, the Michigan company studying the second generation of ethanol.

Cazalot said greater use of natural gas is a good near-term action. "Estimated gas resources have more than doubled thanks to technology that allows us to economically develop shale gas reservoirs," said Cazalot. "It is estimated that the U.S. is now sitting on between 50 and 100 years of natural gas resources at current rates of consumption."

Michigan plays a role in Marathon's diversification of its oil sources. Marathon's oil refinery renovation in Detroit is not only Michigan's largest construction project, but will increase its production from 106 barrels to 120 barrels a day.

Michigan was chosen be-



Marathon Oil CEO Clarence Cazalot discussed petroleum trends at the Economic Club.

cause it will process Canadian heavy crude and it already has some of those processes in place.

Marathon is investing \$2.2 billion in the Detroit refinery to enable it to process crude oil from Canadian oil sands, one of the world's largest oil deposits.

There is substantial opposition to this move as the oil from this source has a higher carbon intensity than conventional oil.

Cazalot said Marathon is developing and implementing technologies such as carbon capture and sequestration to solve the problem.

Besides its abundance, the Canadian import is advantageous to national security, said Cazalot.

"Diversity can be enhanced by encouraging imports from secure and friendly sources," said Cazalot. "It's far more preferable for the U.S. to process and use these oil resources than alternative foreign markets."

The refinery employs 400 and will be hiring an additional 135. The project will be completed in the fourth quarter of 2012.

Cazalot's visit, ironically enough, came just as Detroit experienced a short spike upward in gas prices.

Ford Won't Sell Ranger Pickups In U.S. Anymore

DEARBORN, Mich. (AP) – Ford Motor Co. has confirmed that it will not sell the next generation of the small Ford Ranger pickup truck in North America.

The market for small pickups has shrunk in recent years, and Ford believes it can cover the whole North American market with multiple versions of its F-150 full-size pickup truck, said Mark Schirmer, a spokesman for the Dearborn automaker, said last week.

Ford, which has been trying to simplify its global lineup, decided to eliminate the U.S.-made Ranger after the 2011 model year, Schirmer said.

Ford announced last week that the new Ranger, which will be sold in all markets outside North America, will be unveiled Oct. 15 at an auto show in Sydney, Australia.

The new truck, Schirmer said, is larger than the current North American and international Rangers and is closer to the size of the F-150, he said. The F-150, when equipped with a V6 engine, gets close to the same fuel economy as the new Ranger, he added.

In the mid-1990s, small pickup trucks made up about 8 percent of the U.S. automotive market, but their share is now 2 percent, Schirmer said.

Also, Ranger buyers weren't necessarily looking for a truck, he said.

"We found that a lot of Ranger buyers were not really buying pickup truck capability," he said. "They were looking for small, affordable transportation."

Ford now has the Fiesta subcompact to sell people looking for affordable transportation, he said.

Rangers became available in the U.S. in 1982, and sales here peaked in 1999 at just over 348,000, according to Ward's AutoInfoBank. But only 55,600 sold last year. So far this year, 35,029 have sold.

Ford originally planned to close the St. Paul, Minn., plant where U.S. Rangers are made in 2008, but the company delayed the closure until fall 2011. The factory employs 750 workers.

Full Output of New Transit Electric Set for April

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This allows them to benefit from Michigan's "abundant experience base, significant infrastructure and higher education resources."

Scott Harrison, CEO of Azure Dynamics, likened the building of a new kind of power infrastructure – batteries, drivetrains, charging stations – for motor vehicles to the building of the transcontinental railroad.

That project was completed in 1869, only six years after it got its start. In 1863, the country was in the midst of a civil war and people still had the vision to create and construct a massive undertaking that would connect East and West.

Harrison said Azure Dynamics has been in Oak Park for only three years. The Ford Transit Electric project was started as recently as the end of the third quarter of 2009.

But thanks to the collaboration of people at Ford, AM General, Johnson Controls and Azure Dynamics, they are getting ready to roll their first vehicles off the line in only a year.

Granholt said the Ford

Transit Electric came about because Michigan officials made the decision three years ago to fight to help save the domestic auto industry as a part of a larger effort to diversify the state's economy both within and without the car business.

That meant asking the legislature for controversial incentives. That meant fighting to make sure jobs came to Michigan before they went to Mexico or China, Granholt said.

So, when the federal government made available grants for the development of battery technology, Michigan was awarded more than half of what was granted.

The end result is an expected 63,000 jobs created over the next few years and \$5 billion in investments for the state.

Government and business working together is important, Granholt said, because the development of world-changing technologies is expensive. Just look at the cost of a cellular phone or computer 30 years ago, she said.



Gov. Jennifer Granholm, seated, chats with Ford executive Nancy Gioia at the debut of the Ford Transit Connect electric utility van at supplier Azure Dynamics in Oak Park last week.

Ford India's Endeavour SUV Debuts

BENGALURU, India, – Ford India today unveiled the Ford Endeavour 3.0-litre 4x2 Automatic (AT) – the newest addition to its Endeavour premium Sports Utility Vehicle (SUV) range.

At the launch, Michael Boneham, president and managing director, Ford India, said, "We are excited and delighted to introduce our latest Endeavour variant to India."

"Building on the strong Endeavour sales so far this year, and the overwhelming response to the automatic transmission launched last year, we are confident that the Ford Endeavour 4x2 AT will be a popular and well-received addition to our product lineup."

Competitively priced, the Endeavour 4x2 AT is powered by a 3.0-litre, 156 PS DuraTorq TDCi (common-rail) powertrain with the Variable Geometry Turbocharger (VGT) and 5-speed automatic gearbox – with the overdrive switch on the shift lever – to deliver a highly responsive drive that complements its best-in-class torque performance at 380 NM at 2500 rpm.

Compared with other diesel automatic offerings in the 15-

20 Lakh premium SUV segment, the DuraTorq engine of the new SUV delivers class-leading fuel efficiency of 10.7 kpl (ARAI).

"Like other variants in the portfolio, the 4X2 variant is robust, good-looking, great to drive and versatile. We describe it as a 'smooth operator' SUV with the state-of-art 5-speed auto transmission technology that provides a superb and effortless driving experience whether negotiating congested city streets, cruising on the highway or exploring country hills and back roads," said Boneham.

While rugged on the outside, the interior of the new Endeavour includes many creature comfort features. For example, the interior design sports a classy two-tone finish complemented by a spacious passenger cabin. Inside, it also boasts ergonomically designed leather upholstered seats, a 6-CD changer music system and DVD player and an environmentally-friendly dual air conditioner with personalized air conditioning vents for the second and third rows.

Other unique touches that enhance the 4x2 AT's aesthetic and driving appeal include illuminated scuff plates, a titanium-finished instrument panel, sports pedals and a stylish side body cladding.

The new variant also offers an array of active and passive safety features such as dual-stage front air bags for the driver and passenger. The air bags work in conjunction with three-point safety belts and pre-tensioners and load limiter features unique to Ford vehicles.

In addition, the Anti-lock Braking system (ABS), coupled with Electronic Brake Force Distribution (EBD), provides extra security peace of mind for drivers.

The Ford Endeavour 3.0-litre 4x2 Automatic (AT) is available in five color options – Diamond White, Moondust Silver, Sea Grey, Panther Black and Morello.

Since it was launched in India in 2003, the Ford Endeavour has been a perennial favorite among Indian premium SUV buyers and is consistently ranked as the number one or two top-selling vehicle in the segment.

Boneham said demand for the Endeavour remains strong in India.

"Our January-to-August 2010 Endeavour sales numbers are up 68 percent compared with January-August 2009. In addition, the market segment for SUVs in this price range has nearly quadrupled, year-on-year, for the same period, and offers tremendous growth opportunities."

Since 2007, Ford Endeavour has also topped the J.D. Power Dependability Survey three times in a row.

W. Va. Thieves Like F-150 Best

CHARLESTON, W.Va. (AP) – Pickup trucks are popular among thieves in West Virginia.

The National Crime Insurance Bureau's latest "Hot Wheels" report shows three of the top 10 vehicles stolen in West Virginia last year were pickup trucks.

The 1995 Ford F-150 topped the list. It was followed by the 1994 Chevrolet full-size pickup, 1998 Ford Ranger, 2002 Chevrolet Cavalier, 2007 Dodge Ram, 1995 Ford Taurus and 1998 Chevrolet S-10.

ADVERTISING SALES

Sales positions available selling newspaper advertising to retailers, for this Metro Detroit newspaper publisher. One position covers the area north of 10 Mile Rd. to M-59 in Macomb County. The third position covers the area south of Maple Rd. (15 Mile) in Oakland County, south of 10 Mile Rd. in Macomb County, and west to I-275 in Wayne County. Resume not required but accepted; experience and ability are.

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AxleTech Unveils New Headquarters

AxleTech International, a General Dynamics company, last week opened its new state-of-the-art world headquarters facility in Troy.

AxleTech is a global provider of axles, suspensions, brake systems and aftermarket components for heavy duty commercial and military vehicles.

Located near the company's old headquarters in southern Troy, AxleTech's new facility encompasses 210,000 square feet and will be staffed by nearly 200 production and professional employees.

The new facility will house the product development and manufacturing groups for AxleTech's original equipment and aftermarket equipment business as well as the company's gear and brake operations.

"AxleTech has experienced steady growth over the last

few years and our new headquarters facility will enhance our ability to produce, deliver and service high-quality products for our customers worldwide," said Mary Petrovich, general manager and senior executive of AxleTech.

"The co-location of AxleTech's expertise in design, development, testing, sales and service in our new facility will allow us to exceed customer expectations for customized applications and speed to market."

More than 300 employees, suppliers and government officials attended the ribbon-cutting event in Troy last week.

AxleTech International is a global manufacturer and supplier of axles, axle components, planetary axles, brakes and aftermarket parts for commercial specialty trucks, military vehicles and off-highway machines used in the

construction, material handling, forestry, mining and agricultural markets.

The new AxleTech facility will initially house three major functions.

First, the new facility will be aglobal distribution center for heavy-duty commercial and military vehicle parts. Over 30,000 parts will ship annually from the new facility to sustain and service vehicles around the world. Second, the company's assembly operations for truck-trailer brakes will now be located in Troy.

Third, the company's new engineering and technical center will provide customers with timely product prototyping, testing, development and quality assurance in one location.

Meanwhile, AxleTech's parent company, General Dynamics, employs some 91,000 people worldwide and is headquartered in Virginia.