

EPA and DOT Study New Emissions Laws for 2017

In keeping with the current administration's vision to reduce greenhouse gases and increase fuel efficiency, the U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration (NHTSA) and the U.S. Environmental Protection Agency (EPA), together announced they will begin the process of developing tougher greenhouse gas and fuel economy standards for passenger cars and trucks built in model years 2017 through 2025.

This will build on the success of the first phase of the national program covering cars from model years 2012-2016.

The program is a key part of the administration's national energy and climate security goals, which call for the increased domestic production and use of existing, advanced and emerging technologies to strengthen the auto industry and enhance job creation in the United States.

Continuing the national program will help make it possible for manufacturers to build a single national fleet of cars and light trucks that satisfies all federal and California standards, while ensuring that consumers have a full range of vehicle choices.

"Continuing the successful clean cars program will accelerate the environmental benefits, health protections and clean technology advances over the long-term," said EPA Administrator Lisa P. Jackson.

"In addition to protecting our air and cutting fuel consumption, a clear path forward will give American automakers the certainty they need to make the right investments and promote innovations.

"We will continue to work with automakers, environmentalists and other stake-

holders to encourage standards that reduce our addition to foreign oil, save money for American drivers, and clean up the air we breathe."

In a May 21 memorandum, President Obama directed EPA and DOT to issue a Notice of Intent (NOI) that would lay out a coordinated plan, to propose regulations to extend the national program and to coordinate with the California Air Resources Board (CARB) in developing a technical assessment to inform the NOI and subsequent rulemaking process.

"We must, and we will, keep the momentum going to make sure that all motor vehicles sold in America are realizing the best fuel economy and greenhouse gas reductions possible," said U.S. Transportation Secretary Ray LaHood.

"Continuing the national program would help create a more secure energy future by reducing the nation's dependence on oil, which has been a national objective since the first oil price shocks of the 1970s."

The government says that the national program is intended to save consumers money by cutting down on fuel costs, improve our nation's energy security by reducing dependence on petroleum, and protect the environment by reducing greenhouse gas pollution that leads to climate change.

The EPA says that cars, SUVs, pickup trucks and minivans are together responsible for 57 percent of all U.S. transportation petroleum use and almost 60 percent of all transportation-related greenhouse gas emissions.

The results of the interim technical assessment are summarized in the NOI and was released by EPA to the public last week.

Ford Studies Sea Algae As Potential New Biofuel

Ford scientists are working to understand the suitability of renewable sources such as algae as potential automotive biofuels.

This effort is an integral part of Ford's desire to better understand the use of biomass to produce future biofuels as part of an overall strategy to reduce the nation's dependence on foreign oil and address climate change.

"Ford has a long history of developing vehicles that run on renewable fuels; and the increased use of biofuels is an important element of our sustainability strategy now and moving forward," said Tim Wallington, technical leader with the Ford Systems Analytics and Environmental Sciences Department.

"We look ahead from a technological, economic, environmental and social standpoint at potential next-generation renewable fuels that could power our vehicles."

Industry forecasters and trend magazines such as "The Futurist" have highlighted "algae for oil" as one of the hottest technologies and thought-provoking ideas for 2010.

Algae biofuel research received an added boost this spring when the House of Representatives introduced a bill (HR 5142) - known as the GREEN JOBS Act of 2010 - to encourage investment tax credits for algae-based biorefineries.

This year, Ford researchers visited Wayne State University's National Biofuels Energy Laboratory, which is actively analyzing suitable algae strains that could be used as a feedstock for biodiesel. The Ford researchers, part of the company's Systems Analytics and Environmental Sciences Department, also have conducted in-house research on the opportunities and challenges of producing and culturing of high oil-producing algae."

The biofuel buzz centers around algae's prolific nature. Certain species of algae have the ability to efficiently convert carbon dioxide, oil, carbohydrates and other cell components through photosynthesis.

A variety of environments including fresh or saline waters.

Another potential for algae is its ability to double in number daily and be harvested year-round if grown in environmentally-controlled conditions or in suitable climates. The ability for algae to grow so quickly is a distinct advantage over other feedstocks such as soy beans or corn, which produce just one crop per year.

At Ford, algae is one of the possible future biofuels researchers are keeping a close eye on.

Ford, of course, has been active in natural and bio-based materials for decades.

Other bio-based solutions such as ethanol and butanol, ideally from cellulosic feedstocks are considered to have more near-term potential.

"We recognize the important contribution that biofuels could make toward a more sustainable future and improved energy security," said Jim Anderson, technical expert at Ford. "Ford is very supportive of the increase availability of biofuels and biofuel blends from diverse and sustainable sources."

Delphi Now 'Relevant' Under 2005 Business Plan, Says O'Neal

By Jim Stickford
Staff Reporter

Delphi's agreement with WiTricity Corp. is an example of what Delphi CEO Rodney O'Neal called an emphasis on relevancy.

O'Neal spoke at the Detroit Economic Club Sept. 29 luncheon, talking about how the company was able to restructure and survive both bankruptcy and the tough economic times everyone has been going through.

"As a kid going to school in Dayton, Ohio, my education was built around the three Rs - reading, writing and arithmetic. There was a fourth R, recess and that was fun," O'Neal said. "For most of my career, it seems like business has been built around its own three Rs - restructuring, right-sizing and recession."

Those three Rs are not fun to deal with, O'Neal said, and they're not a good way to plan

Ford Pleased with Global Fiesta Sales

Less than two years after its global rollout began in Europe, the Ford Fiesta is exceeding expectations - attracting a new breed of younger and more affluent customers to the Ford brand and stands as the strongest proof yet that the One Ford plan is working.

The new Fiesta, produced in five plants in Europe, Asia and North America and sold globally in more than 100 markets, is expected to reach the 1 million sales mark in October.

"The Fiesta's success shows the advantages of operating as One Ford and truly leveraging our scale and expertise," said Alan Mulally, Ford president and CEO. "We worked together to design and build a great small car for the world - with leading quality, safety, fuel economy, smart design and value - and nearly a million customers have responded."

Fiesta is the first vehicle built on Ford's global B-platform. Ford is targeting a 1.6 million annual sales from vehicles built on the global B platform in 2014.

"The efficiencies we gain by leveraging our global scale allowed us to deliver a new Fiesta that both exceeds customer expectations for small cars and contributes to a healthy and profitable growing Ford," Mulally said.

By 2013, Ford will have reduced its core platforms to 12 from 25 in 2009. By then, more than 80 percent of its volume globally will be produced off those core platforms, up from about 50 percent in 2009.

Demographic data show the expressive new Fiesta sedans and hatchbacks are attracting younger, more affluent and more highly education customers than the prior model Fiesta and other Ford products.

"Smart design and intuitive technology are highly valued in the global marketplace," said Jim Farley, Ford group vice-president of marketing, sales and service. "Fiesta is proving the consumers don't want a 'dumbed-down' small

vehicle. Millennials are particularly interested in smart design, technology and high-end features, and they're willing to invest in them."

The new Fiesta initially launched in Europe in 2008. In 2009, Ford started producing and selling Fiesta in China and other Asian markets, Australia and South Africa. This summer, the Fiesta was introduced in North and South America and started to roll out across Southeast Asia in September.

Ford expects more than 1 million new Fiestas will be sold in its first two years in global markets.

Today, Ford produces the Fiesta at five assembly plants - Cologne, Germany; Valencia, Spain; Nanjing, China; Cuautitlan, Mexico and Rayong, Thailand.

While Ford has successfully found high-quality, cost effective ways to develop and deliver the tooling for these global cars, marketing Fiesta around the world also has been challenging because of the diversity of its customers.

In markets where Fiesta is a new nameplate, such as China, Southeast Asia and the United States, Ford used digital and social media extensively to create pre-launch awareness.

"The use of social media provided authentic consumer impressions," Farley said.



PHOTO: FORD

The Ford Fiesta on its recent "global tour." Here it's seen at the Statue of Liberty in New York Harbor, one of the most famous backdrops in all of North America. Ford officials have said they are pleased with the global sales of the Fiesta - which also went on sale in the U.S. recently.

Ford Teams with Internet Radio Leader 'Pandora'

Ford Motor Company announced a new campaign on Internet radio leader Pandora to show consumers what's possible when content, technology and worthy causes come together.

The two joined up at the Interactive Advertising Bureau (IAB) MIXX Conference and Expo in New York to share details of a new fourth-quarter 2010 digital advertising campaign that allows Pandora visitors to use the social share feature to share a "mixtape" from playlists compiled by either Jewel or John Legend. When a song is shared, Ford and Pandora will make a donation to the artist's charity of choice.

This latest Ford campaign on Pandora is part of a larger trend at Ford to shift its digital marketing strategy away from using primarily company-generated advertising that interrupts - the banner ad - to marketing that embraces and engages digital content creators to help tell the Ford story.

It also builds on the compa-

ny's multipronged relationship with Pandora, which has more than 60 million registered users. Earlier this year, Ford announced Pandora would be more seamlessly integrated into the Ford SYNC experience through Applink, a software program that allows owners to access and control selected Smartphone apps, such as Pandora, through SYNC voice commands.

"We've found the most valuable digital marketing doesn't interrupt the user experience but instead complements it," said Matt Van Dyke, Ford's director of U.S. Marketing Communication and speaker at the IAB conference. "By partnering with content creators, we're able to support niche programs that audiences truly enjoy."

That helps Ford spend its marketing dollars more wisely, while creating user advocates, rather than just bombarding potential customers with banner ads and 30-second spots."

Featuring Jewel and John

Legend, the new Ford campaign on Pandora seamlessly incorporates original video content and radio station mix options that let listeners broaden their music library while benefitting worthwhile causes in the process. Jewel's song sharing will benefit the National Breast Cancer Foundation, while Legend listeners help out the Show Me Campaign, a nonprofit organization promoting equal access to quality education.

Along with Pandora, Ford is working with other content creators from emerging digital broadcasters such as "This Week in Tech" podcasts, Podtrac and Revision3 internet television to seamlessly weave in Ford products and services into their viewers' worlds.

With Revision3, for example, Ford gave the hosts of its tech culture show, Dignation, a 2011 Ford Fiesta equipped with Ford SYNC and asked them to enjoy the in-car connectivity system with their audience - no script and freedom.

include the "Fiesta World Tour," a 15,000-mile round-the-world trip visiting 21 countries in 50 days. Another global initiative is the Fiesta Facebook page, a multi-lingual site with video content and consumer postings from around the world. The South-east Asia markets, in particular, have leveraged their respective Facebook pages to amass tens of thousands of highly engaged Fiesta fans ahead of launch.

In the United States, the average age of a Fiesta buyer is 46, and 29 percent of the buyers are under 35. By comparison, the average age of the Focus buyer is 50, and 24 percent of Focus buyers are under 35.

The Fiesta's conquest rate in the U.S. is 57 percent - the highest for any Ford product in the U.S.

Auto industry analysts have said that Ford's introduction of the Fiesta into the U.S. market in particular comes at a propitious time for the automaker - federal emissions and fuel efficiency requirements seem to be tightening on a quarterly basis and all of the automakers are scrambling to meet new and future targets.

Assuming the Fiesta meets its U.S. sales targets, Ford's larger efforts to meet fuel efficiency requirements will receive a welcomed boost.

So far, the results have been encouraging. In an ad-effectiveness study performed after podcasts like the one featured on "This Week in Tech" and Dignation, 21 percent of listeners reported being much more likely to purchase a Ford vehicle with SYNC after the broadcast. Unaided recall of SYNC tripled, while aided recall doubled.

Perhaps most telling, however, is that one-third of listeners claimed the SYNC advertising actually increased their enjoyment of the online shows overall.

"It's encouraging, particularly in this day of commercial-skipping DVRs, to have consumers claim advertising actually added value to their content," said Van Dyke.

"The strength of Ford technologies such as SYNC gives us powerful leverage. Our goal is to continue to develop smart advertising solutions around our products that reach customers and keep them engaged and entertained more than ever before."

for long-term success.

Today, there is only one R O'Neal said he cares about - relevancy. In 2005, Delphi ushered in a new era and a new business plan built around that concept.

O'Neal said Delphi's agreement with WiTriCity Corp. to help develop a wireless energy transfer technology for hybrids and electric vehicles is an example of the company's forward thinking.

Prior to 2005, the company relied on General Motors and the North American market for most of its business, O'Neal said. Costs were high and the product portfolio was unfocused. The company was not "relevant."

Delphi was too big and had too many commodity products. They could not have stayed in business if they kept going the way they had been going, O'Neal said. So, they rethought their business strategies and developed a

plan called Northstar, which made Delphi "relevant" again within the auto industry.

While the plan was sound, O'Neal said, the company was hurt by its enormous legacy costs. As a result, they filed for bankruptcy protection. This gave them the room they needed to adopt the Northstar plan, but stakeholders had to sacrifice a lot and the toll was high.

The only question that can be asked at the end of the day, O'Neal said, is, was all the sacrifice and pain worth it? What was the result of all that work?

"Delphi is relevant today because we understand global realities," O'Neal said. "A company has to be committed to outstanding execution of their business plan."

The company now has fewer divisions and much more aligned with global auto trends. Now, about 70 percent of their revenue comes from

sales outside the North American market. Nor are they dependent on GM for income. Approximately 80 percent of sales are non-GM-related.

Delphi is now generating positive cash flow, O'Neal said. It's a global company firmly on its feet going full speed ahead.

"The new Delphi is back," O'Neal said. "It's better, stronger and it's relevant. I like our future."

Part of being relevant in the business world and to its customers means understanding the megatrends that are driving the world, O'Neal said. The first trend is globalization. It's not going to go away. Companies can't ignore that fact, he said.

O'Neal called conquering new markets an exciting task for companies that want to grow. But, at the same time, he said, American companies have to defend their home turf. The United States is still

a huge market that draws a great deal of foreign investment.

The second megatrend is product technology development. Delphi has built its product line around the idea that consumers want to be safe - and green, he said.

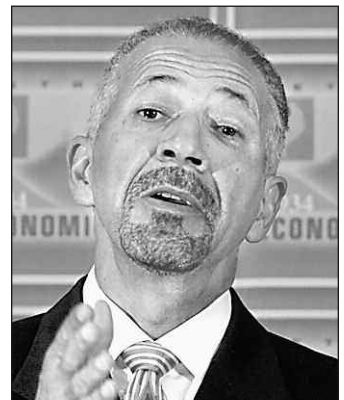


PHOTO: JEFF KOWALSKY/DEC

Delphi CEO Rodney O'Neal discussed the supplier's business plans at the Economic Club.