'Auto Industry Jump-Started Our Business and It's Growing Still,' Says Sprint Nextel CEO Hesse

by Stefanie Carano
Staff Reporter
Detroit Auto Scene

PHOTO: JEFF KOWALSKY

Sprint CEO Dan Hesse addresses the Detroit Economic Club regarding telematics trends and the auto business from his industry's point of view.

The next generation of wireless technology could be the widespread adoption of connected vehicles, said Sprint Nextel CEO Dan Hesse.

Hesse spoke at the Jan. 14 meeting of the Detroit Economic Club, explaining how broadband can influence automotive safety, sustainability, fleet effectiveness and public safety.

"My industry and the automobile industry share the same fundamental value proposition," Hesse said. "We have to appeal to everyone's desire for freedom and mobility. In fact, it was really the auto industry that jump-started our industry."

Hesse said about 28 years ago when mobile communication started, it started with the car phone.

"Because you did need a car to carry around that big battery," he said. "That was in the trunk and I remember my first car phone well."

Now in 2011, he said there are more cell phones in use worldwide than automobiles, personal computers and televisions combined.

"And it's growing still," he said. "So, it's a heck of an industry."

Hesse said at its advent, the car phone added productivity, enjoyment and peace of mind to the driving experience.

The mid-1990s brought in 2G, or second generation wireless telephone technology, which is based on digital wireless signals rather than analog.

Today's newest phones are 3G or 4G, which Hesse said brought in the era of the Smartphone, offering greater day capacity and faster data communication through a mobile device.

"And, what 2G did is that it used the most precious resource we have in wireless, which is the air," Hesse said. "The spectrum allowed us to use that much more efficiently, so rate plans got a lot more affordable and that's really when the wireless industry took off."

Hesse said with the arrival of 4G, technology like two-way video conferencing devices can offer higher quality video.

He said 3G and 4G have been another technology breakthrough.

"Last year, for the first time, the U.S. wireless industry carried more data traffic than voice traffic, but within three years, data traffic will be 66 times what it was in 2008, so this is tremendous growth that we're seeing in data traffic," he said.

Hesse said the wireless industry is approaching an opportunity beyond phones that offer greater communication capability, such as the ability for insurance companies to monitor a person's driving, setting insurance rates by how they actually drive.

This is done, he said, with Machine to Machine, or M2M, technology where the future of wireless is about wireless connecting one machine with another machine, including connected cars.

"The number of machine-

PHOTO: GERALD SCOTT

Media turned out in force to inspect Ford's 2011 car fleet, which now includes a number of electrified and related hybrid vehicles.

Electrification of Ford's Vehicle Fleet Continues

DETROIT – Betting that providing customer choice will rule as a new era in vehicle electrification dawns, Ford is introducing a trio of electric vehicles including its first electric passenger vehicle, the all-new Focus Electric.

The debut of C-MAX Energi and C-MAX Hybrid at the 2011 North American International Auto Show, on the heels of the newly unveiled Focus Electric, builds on Ford's electrified vehicle portfolio, bringing expanded choice to customers and further strengthening the company's sustainability strategy.

The fuel-free, all-electric rechargeable Focus Electric passenger car will launch in North America in late 2011 and Europe in 2012. The C-MAX Energi is the company's first-ever plug-in hybrid production electric vehicle that comes to market beginning in 2012, targeting AT-PZEV (Advanced Technology Partial Zero Emissions Vehicle) status. The C-MAX Hybrid is a next-generation full hybrid version of the five-passenger multi-activity vehicle.

The new-generation Ford electrified vehicles introduce new features and technologies – led by a unique version of the MyFord Touch driver connect system especially for electric vehicles, a new value charging feature powered by Microsoft and, for North America, a smartphone app called MyFord Mobile that helps plug-in owners control their vehicles remotely.

"By providing a variety of electrified vehicles, we are making it easier for our customers to embrace this fuel-saving technology," said Bill Ford, executive chairman, Ford Motor Company.

"This strategy is true to our heritage of making innovative technology available to as many people as possible and to our vision of developing great products, building a strong business and contributing to a better world."

The three new Ford electrified products build on Ford's experience as America's top domestic producer of electrified vehicles with 140,000 hybrid products on the road today:

- Focus Electric – Based on the all-new Ford Focus mainstream vehicle, the Focus Electric will offer adequate range to cover the majority of daily driving habits plus a mile-per-gallon equivalent better than Chevrolet Volt and competitive with other battery electric vehicles. It will charge in half the time of a Nissan Leaf
- C-MAX Energi – Based on the new Ford C-MAX five-passenger multi-activity vehicle, the C-MAX Energi targets more than 500 miles of driving range using the battery and engine. It delivers better charge-sustaining fuel economy than the Chevrolet Volt
- C-MAX Hybrid – The full hybrid variant of C-MAX is targeted to deliver better fuel economy than Ford Fusion Hybrid, the most fuel-efficient sedan in America. It also leverages the company's power-split hybrid architecture and uses a lighter, smaller lithium-ion battery system

The three new models leverage Ford's global C-car platform and will be built alongside the all-new Ford Focus at the company's Michigan Assembly Plant in Wayne, Mich., with production powered in part by one of the largest solar energy generator systems in the state. Ford will build the new C-MAX Energi and Hybrid models for European markets at its plant in Valencia, Spain, as previously announced.

Meanwhile, note that Ford's rollout of five new hybrid and electric passenger vehicles began in December with the first deliveries of its 2011 Ford Transit Connect Electric – a small commercial van built in collaboration with Azure Dynamics. Ford will round out its lineup of new electrified vehicles in North America and Europe with another next-generation hybrid vehicle, in 2012 and 2013, respectively, which will be named later.

"Ford's plan to deliver a full range of exciting, energy-efficient vehicles is on track and fully charged," said Sherif Marakby, director of Ford's electrification programs and engineering.

"Focus Electric, C-MAX Energi and C-MAX Hybrid demonstrate Ford's commitment to delivering significant fuel economy gains and reduced CO2 emissions to meet our customers' functional needs without compromising their driving enjoyment."

Ford's next-generation hybrid, plug-in hybrid and all-electric vehicles will build on the company's success with its Fusion Hybrid and Escape Hybrid – America's most fuel-efficient midsize sedan and most fuel-efficient SUV, respectively. The 2011 Lincoln MKZ Hybrid joined the North American lineup last fall and is the most fuel-efficient luxury car in America. In total, Ford has more than 140,000 hybrid vehicles on the road to date.

"One technology does not work for all customers – hybrids, plug-in hybrids and all-electric vehicles each offer distinctly different advantages," said Derrick Kuzak.

AAA Priorities Include Texting Ban, Teen Safety

WASHINGTON, D.C. – Laws that ban texting while driving and that improve safety for teen drivers top AAA's agenda nationwide as state legislatures convene this month across the country for their 2011 sessions. AAA looks to build on a relatively successfu campaign of traffic safety law improvements enacted during 2010.

"Last year showed states' strong commitment to traffic safety as nearly a dozen states enacted laws banning texting while driving, but there were also real safety improvements on core needs like teen driver safety, primary seat belt laws, and child passenger safety," said AAA Vice President of Public Affairs, Kathleen Marvaso.

"AAA is working with legislators and other safety advocates in statehouses across the country to draft and pass legislation in 2011 that will make roads safer."

She added, "As state legislatures grapple with another year of severe budget challenges, safety improvements are a low- or no-cost way that legislators can make their states better places to live. Laws that reduce crashes, injuries and deaths can help reduce governments' medical and emergency response costs. In fact, some states could receive millions of dollars in financial incentives for passing some of these laws."

For this year, AAA's main traffic safety priorities include the following items:

- Texting while driving bans – AAA in 2009 launched a national campaign to pass laws banning text messaging while driving in all 50 states. With 11 states having enacted these laws in 2010, there are now 30 states with laws prohibiting drivers of all ages from texting. AAA expects nearly every one of the 20 remaining states to consider this leglislation in 2011.
- Teen driver safety – Although every state has some form of graduated driver licensing for new teen drivers, nearly every state still has the opportunities to improve these life-saving laws, according to AAA.

States such as Michigan, Alabama, Louisiana and Oklahoma made significant improvements in 2010, such as increasing the age and requirements for a first license.

Ford Test Drives in New EVs Prove Popular with the Public at Auto Show

CONTINUED FROM PAGE 1

At the top of the circle track, the test-ride vehicles all stop and are hooked up to a dynamometer, which runs up to about 45 mph, then it unhooks from the test and the driver takes the visitor back to the ground floor.

Note that the Ford pavilion was so big this year, the automaker actually handed out passports with a map describing the various activities and displays for visitors. The test track's official name, according to the Ford pavilion passport map, was "Living Electric Elevated Indoor (Ride)."

Otherwise, the Ford display at this year's Detroit auto show is described by the carmaker as the largest such Ford auto show display in the world – it is 25 percent larger than last year's display and includes 75 vehicles, 22 interactive exhibits and 67 product specialists on hand to answer questions.

All told, the Ford display at Cobo Center actually filled an expansive 71,700 square feet of space – more than a typical NFL football field's 57,600 square feet.

"For several years now, Ford has been driving the evolution of auto shows," said Jim Farley, Ford group vice president, Global Marketing Sales and Service, in a statement.

"We've moved from one-way communication to full-blown, two-way communication and engagement with visitors.

"Futuristic concept cars and simple narrations about products have been augmented by or replaced with product interaction, hands-on technology displays, conversations with knowledgeable hosts and even games that help visitors understand how Ford is delivering smart, safe, green, high-quality products to fit a wide range of needs."

A fundamental theme at the Ford display this year is fuel economy, organizers said.

"This year's display emphasizes that fuel economy is no longer limited to a few vehicles," Farley added. "Ford is offering consumers real choices that fit real-world needs by designing vehicles that use a variety of fuel-efficient powertrains, such as Ford's EcoBoost technology and our new family of electrified vehicles."

And the opportunity to go for a ride in a couple of those new Ford EVs was actually pretty compelling – reportedly, there was up to a one-hour wait to go for a test drive during the busiest days and times of the public run of the Detroit auto show.

It was a short ride but a happy one, Ford had a public relations hit on its hands.

Charity Preview Raises $2.6M For Mich. Kids

CONTINUED FROM PAGE 1

last seven years alone.

Medical treatment, clothing and various support services for local kids in need are all made possible through the purchase of Charity Preview tickets.

Specific beneficiaries of the 2011 Charity Preview include Boys & Girls Club of Southeastern Michigan; Boys Hope/Girls Hope of Detroit; The Children's Center; Judson Center; The Detroit Institute for Children; Think Detroit PAL; March of Dimes; The Children's Hospital of Michigan Foundation; and the DADA Charitable Foundation Fund, a fund of the Community Foundation for Southeast Michigan.

Now entering its 23rd year as an international event, the NAIAS is among the most prestigious auto shows in the world, providing unparalleled access to the automotive products, people and ideas related to the global auto industry as based in Detroit.

Organizers were especially pleased with the $2.6 million ticket sales figure because the last few years have rough on the fund-raiser because of the auto industry contraction.

But with ticket revenues resulting in that $2.6 million in sales, the benefitting charities can perhaps breathe a little easier once again – it's a big portion of their annual budgets.

Sales of NGVs Are on Uptick

According to a new report from Pike Research, worldwide NGV (natural gas vehicle) sales will increase at a healthy pace over the next several years, rising from 1.9 million vehicles per year in 2010 to more than 3.2 million units annually by 2016.

Also, the firm expects that refueling stations will increase from approximately 18,000 in 2010 to just fewer than 26,000 in 2016 – a 5.9 percent / compound annual growth rate. This compares to an NGV vehicle growth rate of 7.9 percent during the same period being measured.

New Ford Focus Electric Brings Meaning to Green

CONTINUED FROM PAGE 1

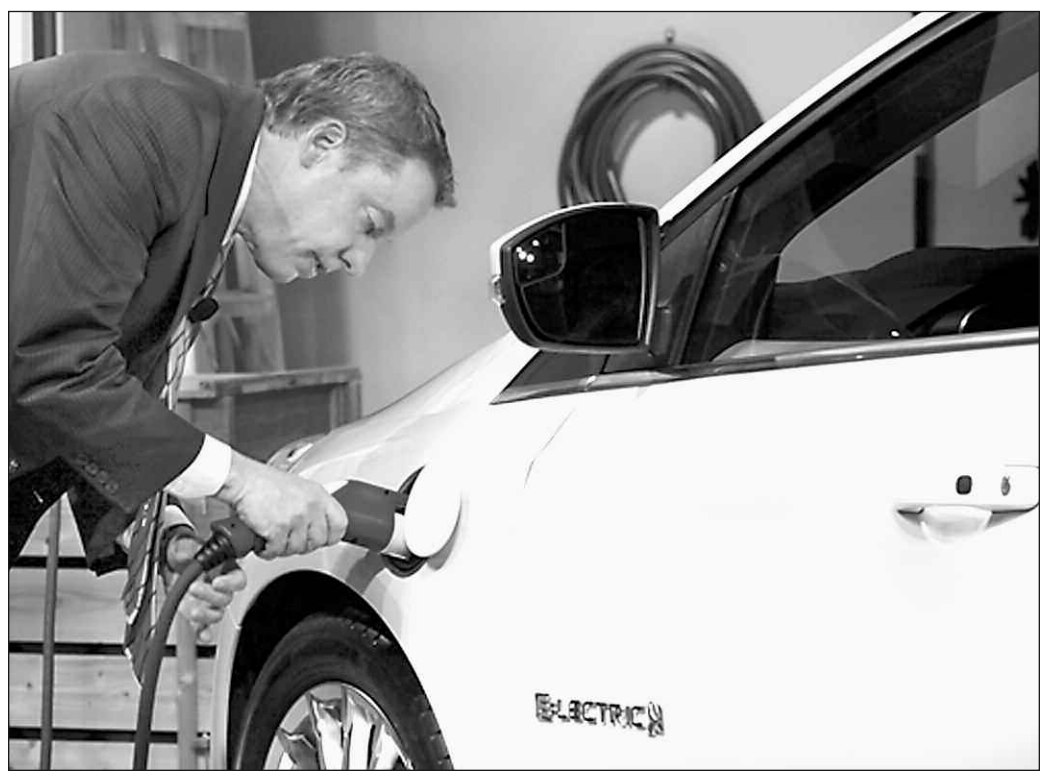
Assembly Plant in Wayne, Mich., where Focus Electric will be produced.

Ford will work with Detroit Edison to install a 500-kilowatt solar photovoltaic panel system, which will be integrated with a 750-kilowatt energy storage facility that can store 2 million watt-hours of energy using batteries – enough to power 100 average homes for a year.

Several new and innovative production processes at the plant will help make the vehicle even greener. For example, a new three-wet paint process applies all three coats of finish in sequence before oven curing, ensuring high-quality paint finish and a significant reduction in energy use.

With charging playing a major role in Focus Electric ownership, Ford also looked to make the vehicle's home charging stations greener. Jointly developed with Leviton, a leading North American producer of electrical devices, Ford is offering a charging unit that has an outer shell made from up to 60 percent post-consumer recycled material.

The Focus Electric was the subject of intense scrutiny by the media at the recent Detroit auto show, and it figures that at all of the upcoming auto shows in Washington, D.C., Chicago and beyond to New York, the Ford offering will continue to be the center of universal EV attention.



Ford Chairman Bill Ford, Jr. demonstrates the charging function on the 2012 Focus Electric car.