

More Buyers Opt for Lincoln MKZ Hybrid

By DEE-ANN DURBIN
AP Auto Writer

DETROIT (AP) — Car buyers usually have to pay a premium of \$5,000 or more for the hybrid version of a car. So, when Ford Motor Co.'s Lincoln MKZ hybrid went on sale last fall for the same price as the gas version, it became a test case for hybrid demand.

The verdict: More people will choose the hybrid when price isn't a factor, but not too many more.

The MKZ has the highest percentage of buyers opting for the hybrid version — 24 percent — of any car or crossover. Only 16 percent of buyers chose the hybrid version of the Lexus RX crossover in January, for example. Just 7 percent of buyers opted for the hybrid version of the Ford Fusion sedan, which has the same engine and battery as the MKZ.

The numbers indicate that hybrids — stuck at less than 5 percent of total U.S. sales after a decade on the market — could generate higher sales if they were priced more competitively.

The starting price of the Lexus RX, for example, is \$5,560 more than the gas version. The Ford Fusion hybrid costs \$8,830 more than the gas version. The Lexus LS hybrid, the most expensive on the market, starts at \$111,350, which is \$45,000 more than the regular LS.

Interest in hybrids falls dramatically once buyers discover they have to pay a premium

Other Brands Don't Measure Up When Choice is Hybrid or Gas

for the technology, J.D. Power and Associates said in a recent report.

The firm said the cost difference between hybrids and gas-powered cars will eventually shrink as more are produced and sold, but it doesn't expect that to happen for at least another five years.

The best-selling hybrid in the U.S. remains the Toyota Prius, which saw sales rise 25 percent to 10,635 in January. The Prius has no gas equivalent, but the similarly sized Toyota Corolla sells for \$7,450 less than the Prius' \$23,000 price tag.

MKZ hybrid sales pale in comparison, at just 370 in January. But Ford says buyer interest in hybrids could grow this year as the economy improves and gas prices increase.

Even with gas at \$3 per gallon, it's curious that the MKZ hybrid sales aren't higher, since for the same \$34,600 price tag you can get a car that gets 39 miles per gallon compared to the gas model's 21 mpg.

Ed Kim, director of industry analysis for consulting firm AutoPacific Inc., said Lincoln buyers tend to be older and more conservative in their purchases.

"They'd rather have the conventional engine. That's what they understand, that's what they know," he said.

The MKZ isn't a perfect test

case, either, because prices and features vary. Buyers who want all-wheel drive, for example, have to get the gas version, because the hybrid only comes in front-wheel drive.

Ford incentives are also driving down the price of the gas version, which has been on the market longer than the hybrid, said Jessica Caldwell, an analyst with Edmunds.com. Buyers can lease a gas MKZ for \$324 per month, almost \$100 less per month than the lease deals for the hybrid.

Still, Ford is happy with the MKZ. Jim Farley, vice president of global marketing and sales, said the hybrid is helping the company win business in places where Lincoln sales haven't been strong. In the Los Angeles area, MKZ sales rose 86 percent in January, with hybrids making up 61 percent of those sales.

"Out in California, we live and breathe environmental. The whole thing is kind of sexy for us out here," said Ramon Alvarez, a Lincoln dealer in Riverside, Calif., who says he is selling every hybrid he gets in stock.

Ford is also winning customers from other brands. Edward Schmitz, an economist from Vienna, Va., hadn't owned an American car since the 1970s, when he drove a Ford Mustang. Schmitz was driving an Acura TL until last year,

when he began to look for something with higher fuel economy.

Schmitz test drove a Prius, but wasn't thrilled. He also tried a Lexus 250h hybrid, which is the same price as the MKZ hybrid, but he felt it was cramped and the fuel economy was better on the MKZ. He bought the MKZ hybrid shortly after it went on sale.

Schmitz, 60, likes the way the MKZ handles and its features, including a gauge that lets him check his gas mileage after every trip. And the price tag? He said he would have considered the MKZ regardless, but lack of a hybrid premium made him feel he was getting a good deal.

The MKZ Hybrid, by the way, was just one of a number of cars that Ford had available for media to drive at the Business of Plugging In hybrid car conference at the RenCen in Detroit last October. It drew positive reviews there as well.

Adventurous Consumers Tell Where They'd Take Reinvented Ford Explorer

CHICAGO — If you had a Ford Explorer for a week, what would you do and where would you go? This question lays the groundwork for the new "Go. Do. Adventures" program that invites consumers to suggest how they would use an Explorer to create their own unique adventure.

"We want people to get out there and experience their environment with friends and family in a fresh new way, and the new Explorer is the best vehicle to do it in," said Jim Farley, Ford group vice president, Global Marketing, Sales and Service.

"Ford has reinvented the Explorer, and with this new campaign we're inviting consumers to be just as inventive by coming up with their ultimate adventure."

Consumers can submit stories in the form of essays, photos and videos through several websites, such as www.ford.com/explorer and Facebook.

The responses will showcase both key product features and unique American locations and attractions. Those people whose ideas are

Women's Business Event Comes to Dearborn Venue

Nine area women leaders will be honored by the Michigan Business and Professional Association (MBPA) at its 15th annual "Women and Leadership in the Workplace" Conference and Awards on Wednesday, March 9, at The Henry in Dearborn.

Registration starts at 7:30 a.m. followed by a brunch. The overall conference runs until 12 noon.

The event is held to promote high professional standards, encourage leadership, provide education and assure equal advantages for women. This year's theme is "Looking to the Future." More than 500 women are expected to attend the March 9 event.

This year's honorees represent extraordinary professional women who have excelled in seven distinct categories. They include:

- Business: Lizabeth Ardis-

ana, principal and owner, ASG Renaissance;

- Human Services: Juanita Moore, president and CEO, Charles H. Wright Museum of African-American History;

- Media: Carol Valade, editor, Gemini Publications;

- Education: Carol Goss, president and CEO, The Skillman Foundation;

- Small Business Achievement: Margery Krevsky, president and owner, Productions Plus;

- Shooting Stars: Kerry Doman, founder and CEO, After 5; Shanelle Jackson, State Representative, 9th District; Sonya Zanardelli, Energy Storage team leader, U.S. Army Tank Automotive Research Development Engineering Center (TARDEC in Warren).

MBPA members can purchase tickets for \$75 and non-member tickets are available for \$85.

Ford Seahorses Host Shipwreck Festival

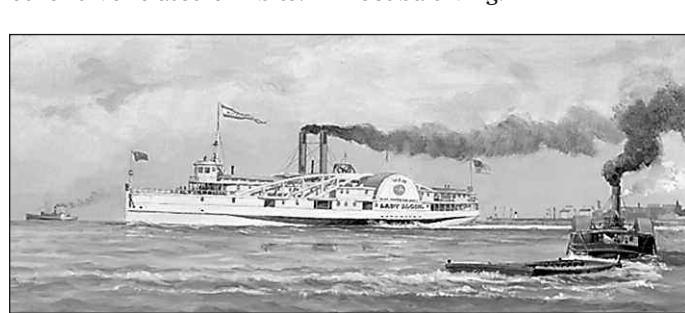
The Ford Seahorses Scuba Diving Club, in conjunction with the Detroit Historical Society's Dossin Maritime Group and the Dossin Great Lakes Museum, will present the 30th Great Lakes Shipwreck Festival on Saturday, March 5, from 9 a.m. to 6 p.m. at Washtenaw Community College's Morris Lawrence Building, 4800 E. Huron River Drive, in Ann Arbor.

This year's program features several significant new Great Lakes shipwreck discoveries, including the Lady Elgin — a once-palatial side-wheel steamer whose sinking in Lake Michigan in 1860 resulted in the deaths of more than 300 people — and the Marion Egan, a Civil War-era two-masted schooner that sank in 1875 and was recently found intact in Lake Huron.

In addition to shipwrecks, there will be programs from exotic locations around the world with stunning video and still images of colorful and unusual marine life.

Other programs include additional sessions on Great Lakes shipwrecks, interna-

tional dives and technical diving and equipment, as well as a variety of book signings and exhibits from local maritime artists, the Dossin Great Lakes Museum, local dive shops, travel companies and other dive-related exhibits.



This painting of the "Lady Elgin" is by Michigan marine artist Robert McGreevy. This and other nautical art will be on sale at the 30th Great Lakes Shipwreck Festival on March 5 in Ann Arbor.

Tickets for the event are \$15 in advance and \$20 at the door. For ticket information or program details, visit www.shipwreckfestival.org, call 734-485-0492, or e-mail glstickets@aol.com.

The Ford Seahorses Scuba Diving Club, established in 1957 as a member of the Ford Employees Recreation Associ-

ation (FERA), is one of the most active such sport dive clubs in all of Michigan.

The Seahorses club is a non-profit organization dedicated to the enjoyment and advancement of the sport of scuba diving.

New Continental Sensor Supports Cars in Accidents

FRANKFURT, Germany — Continental, the international automotive supplier, has developed a sensor (satellite) for electric and plug-in hybrid vehicles which will immediately shut off the high-voltage battery in the event of a collision. This means that emergency service personnel can come to the aid of accident victims without the risk of suffering an electric shock.

"The evSAT acceleration sensor is active in charge mode. It detects an accident and passes this information on to the battery management system which then shuts off the high-voltage battery," said Dr. Axel Gesell, Senior Manager Platform Development Sensors & Satellites, in the Passive Safety and ADAS business unit of Continental's Chassis & Safety Division.

"The major benefit of our product is that it prevents fire and rescue service personnel sustaining high-voltage injuries when coming into contact with vehicle metal parts or if they have to cut through the vehicle to recover accident victims," Gesell added.

Electric vehicles and plug-in hybrids are powered by high-voltage batteries of up to 400 volts. evSAT will go into series production with a major German vehicle manufacturer in 2012.

"evSAT" stands for 'Satellite for Electric Vehicles' and essentially consists of an independent, triaxial sensor with a CAN (controller area network) interface. During the charge phase, the other vehicle electronics, including the airbag system are not operational.

So as to avoid the considerable expense of adapting the airbag system to meet new requirements, Continental has developed evSAT for the vehicle's charge mode.

The accelerator sensor employs an algorithm to detect a

frontal, rear or side collision with another vehicle and immediately transmits a signal via the CAN interface to the battery management system which then switches off the battery within half a second. evSAT reacts in the same way if it detects a rollover in driving mode. In this case, the battery is deactivated within four seconds at most. In the event of other types of driving accident, evSAT remains inactive. In such cases, the airbag system assumes the task of cutting off the battery.

If the electric or plug-in hybrid vehicle has been switched off and is not being charged, the evSAT moves to a standby mode to prevent the battery discharging. As such, evSAT represents an additional passive safety system function for electric and plug-in hybrid vehicles.

Most high-voltage batteries in electric or plug-in hybrid vehicles generate a voltage of 400 volts, twice as great as the standard domestic plug socket and potentially fatal. Already, in the United States, there is a legal requirement for the vehicle power supply voltage to fall to below 60 volts within five seconds of an accident occurring.

"As electromobility continues to develop, the safety of electric vehicles will assume an increasingly important role. The need for technologies to meet future challenges is already demonstrated by the additional demand for evSAT from numerous other vehicle manufacturers," said Telmo Glaser, Continental's evSAT project manager.

Essentially, evSAT can be installed in a number of different places in the vehicle; it should, however, be placed sufficiently well inside the vehicle (beneath the front passenger seat, for example) to avoid being damaged in an accident.

The advantages of using



Continental Automotive's new evSAT sensor protects first responders from electric shock that is possible in electric vehicles and plug-in hybrids involved in serious car accidents.

evSAT are that there is no need for the conventionally powered vehicle variants within a model series to be modified. evSAT can be integrated into the existing systems of electrically powered vehicle variants without redesign work.

This benefit also increases flexibility as regards installation space, customer-specific requirements and development time. Savings can be made due to lower system development costs and by avoiding placing greater demands on the airbag system. The sensors will be produced, starting this year, in Continental's Regensburg, Germany plant.

With annual sales of more than EUR 25.5 billion for 2010, Continental is among the leading automotive suppliers worldwide. As a supplier of brake systems, systems and components for powertrains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires and technical elastomers, Continental contributes to enhanced driving safety and global climate protection.

Continental is also a com-

Explorer, Go. Do., is an example of how a consumer-oriented approach can influence advertising creative and generate online discussion, Ford marketers say. It began with the Ford Explorer Facebook engagement that showed the all-new SUVs live Facebook reveal on July 26.

The Go. Do. campaign continued evolving through Facebook as Ford engaged fans and prospective Explorer customers in one-on-one conversations using texts, videos and images.

This led to significant Facebook growth — more than 138,000 fans and growing — and increased anticipation for the new Explorer.

Explorer fans also can get real-time answers from Ford experts as well as view video responses from engineers and celebrities such as Bret Michaels and Snoop Dogg.

The unfiltered feedback influenced more traditional aspects of the campaign, including TV and print advertising.

The result is an unscripted, organic look at American families and the American road trip, with a mini-documentary feel to TV spots.

BorgWarner Doubles 4th Quarter Earnings on Rush of New Orders

AUBURN HILLS, Mich. (AP) — Auto parts maker BorgWarner Inc. reported last week that its earnings for the fourth quarter more than doubled from the same period a year ago as global auto sales began to recover and automakers bought its turbochargers and other parts that help make cars and trucks more efficient.

The Auburn Hills company said its net income rose to \$116.9 million, or 89 cents per share, in the quarter ending Dec. 31, up from \$52.7 million, or 45 cents per share, in the last quarter of 2009.

Revenue was \$1.53 billion, up 28 percent from the \$1.2 billion a year ago.

The company beat Wall Street estimates. Analysts polled by FactSet expected earnings of 82 cents per share on revenue of \$1.46 billion.

Shares of BorgWarner rose 65 cents to \$72.59 in morning trading.

For the full year, the company reported net income of \$397.8 million, or \$3.07 per share, up from \$27 million, or 23 cents per share, in 2009, when the global auto industry was in the worst sales slump in three decades. The industry began to recover in 2010.

Revenue rose to \$5.65 billion in 2010 from \$3.96 billion in 2009.

The company said that despite the strong 2010 performance, it does not think last year was a peak.

CEO Tim Manganello said in a statement that BorgWar-

ner expects 16 to 20 percent revenue growth and 30 to 40 percent earnings growth in 2011 compared with 2010, with an operating income margin of 10.5 percent or better.

Analysts expect earnings of \$4.03 a share on revenue of \$6.68 billion in 2011.

BorgWarner said its sales growth last year was sharply higher than global vehicle production growth of approximately 4 percent.

"New business growth was the driving force behind our fourth quarter results as it had been throughout the year," Manganello said in the statement.

"Adoption rates of our leading-edge powertrain technology continued to outpace vehicle production growth in every major region of the world."

BorgWarner makes turbochargers, automatic transmission technology, engine timing systems and emissions reduction products that are used by automakers to improve gas mileage and air quality.

Its products are in great demand because auto companies are under pressure to increase gas mileage to comply with increased fuel economy standards. In the U.S., the new-vehicle fleet average has to reach 35.5 mpg by 2016, an increase of more than 40 percent over current standards.

BW makes a variety of powertrain products and systems for global OEM customers.

Grede Books New Business

Southfield-based auto supplier Grede Holdings LLC has booked over \$162 million in new business, increased plant utilization by 80 percent, added over 900 employees and has received numerous customer awards, all positive trends that the industry is turning itself around.

"In February, 2010, we combined the best-of-the-best in terms of people, technologies and assets of the former Grede Foundries, Inc. and Citation Corp. to form Grede Holdings LLC," said Doug Grimm, chairman, president and CEO.

"In doing this, we positioned ourselves for growth and our efforts are clearly paying off," he added.

Grede's \$162 million in new business will launch over the next two years and includes heavy duty truck products.