

SAE Panel Likes Domestic Outlook

by Gerald Scott
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A stellar panel of experts put together by the SAE Detroit Section likes the direction the domestic auto industry is heading these days.

SAE sponsored its annual "State of the Industry" dinner last week and the experts included Dr. David Schutt from SAE International, journalist Jason Stein, the OESA's Neil De Koker and CAR's Dr. David Cole.

The general sentiment was that following the troubles and retrenchments of 2008-09, smoother sailing is ahead for the Big Three carmakers in particular.

"We are in interesting times to be sure – and, of course, I think we're all much more optimistic," said Cole, the chairman emeritus of the Center for Auto Research in Ann Arbor.

"But the optimism has been building for a long, long time.

"This industry has been very good, very creative, working very hard and it really has restructured itself in a pretty miraculous way."

Cole said the industry has shown surprising flexibility in just how well it has handled the many obstacles thrown its way, ranging from corporate bankruptcies of two of the Big Three carmakers, frozen credit for consumers buying cars, a national shakeout in car dealerships and other familiar auto industry challenges.

"We continue to be in the last stages of 'the Perfect Storm,' where we've had amazing growth in different places around the world," Cole said.

"China – I think you'll never see the U.S. No. 1 in car sales

Industry 'Really Has Restructured Itself in a Pretty Miraculous Way'

again... we have tremendous volatility in the materials sector today – the higher prices of materials.

"Over the last 10-15 years, the real price of cars and trucks has actually declined, which means that we've not had pricing power, but I think we're going to be getting that in the future."

Cole is optimistic in part because the "tool set" that the industry is using these days is redefining how work gets done across the Motor City.

"Where we used to think about the physical prototype, we're now talking about the virtual prototype. What's be-

ing teed up in my judgment is a really spectacular future."

Cole said that there were now about two jobs in the supplier community for every one still held at the OEMs.

That set up a discussion of how the supplier community is faring led by remarks from De Koker, the head of the Original Equipment Suppliers Association (OESA) in Troy.

Like Cole, De Koker is surprisingly optimistic about where all of this is heading.

"We see significant confidence in the industry going forward," De Koker said.

Based on OESA supplier surveys, De Koker said that the "break-even" point for

suppliers, speaking in general, went from 14 million units in 2007 down to 9.5 million two years ago.

"That eliminated a lot of jobs, closed a lot of factories. It was very painful, but we made it through there and we're doing quite well," De Koker said.

"In May of last year, the break-even point was 10 million units and as of January of this year, we're at 10.5 million, which means that in a normalized, 15 million vehicle production year, we can make money at 60-65 percent capacity – it used to be 80 percent.

"This is a tremendously improved industry. Those of you that have worked very hard to achieve that can be proud."

The event was well attended by SAE membership.



SAE Detroit Section speakers included, from left, Dr. David Schutt from SAE International, journalist Jason Stein, Dr. David Cole from CAR and Neil De Koker from OESA.

PHOTO: RANDY FLORESCA/SAE

Ford Says to Use Its Replacement Parts

Safety, Availability, Fit-and-Finish, Warranty Top List of Reasons Why

COLOGNE, Germany – Ford Motor Company is a market leader in accident prevention technology, but even so, it is estimated that across Europe, each of its vehicles will make one visit to a bodyshop every seven years.

The good news is Ford can send genuine replacement parts anywhere in Europe, usually within 24 hours, guaranteeing a good-as-new repair with minimum delay.

Every single component in each and every Ford is designed and built to the highest quality standards, Ford officials say, adding that if your car is involved in a crash, it's important to put the damage right using Ford original parts.

Using genuine Ford replacement parts helps ensure the vehicle will be restored to its original pre-accident condition, protecting residual values. It has safety benefits, too, says the automaker.

That's why Ford stamps parts such as bumpers, bonnets and tailgates with a Blue Oval logo to prove they are genuine.

John Cooper, operations director of Ford Customer Service Division, says: "There are a lot of companies out there offering non-original replacement parts for our vehicles, but the case for specifying Ford parts is overwhelming. "Our parts are designed to

original Ford specifications and manufactured to the precise tolerances on the same production line as the factory-fitted originals. That means they deliver the same quality standard and have the same predictable high levels of performance."

Cooper says using a non-Ford original part can reduce the safety of a vehicle for the driver and other road users, including pedestrians.

Ford invests millions, making sure it can meet very stringent safety requirements on pedestrian protection – for good reasons.

Ford tests copy parts and often finds they don't meet its own standards. And the use of genuine parts and genuine repair techniques will ensure the safety performance of the vehicle is maintained.

"We place highly visible branding on our parts, so people can make sure their vehicles have been repaired to the highest possible standard," Cooper says.

He adds, "We're the only company that brands these parts with the Ford logo. After an accident, you wonder if your vehicle will ever look the

same again. Well, as long as your repairer uses only our original parts, it will."

Cooper cites five reasons for choosing Ford original parts:

- Safety – Tests carried out by the independent Motor Industry Repair Association (MIRA) confirm that using non-Ford parts can significantly increase injury risk in an accident situation.

The respected UK-based organization compared the pedestrian protection performance of a Ford Fiesta original hood with that of a copy and found the risk of a pedestrian head injury was up to 17 percentage points higher with the non-original part.

- Availability – Authorized Ford Parts dealers keep a large selection of collision and mechanical parts on the shelf. If it's not in stock, Ford can deliver that same day or overnight so you won't have to wait long.

- Warranty – Copy parts are not covered by the Ford Parts Warranty.

- Fit and Finish – It takes less time to fit Ford original parts because they do fit. All Ford original parts are designed from the original blueprint and CAD data.

UM-Dearborn Receives \$200,000 Hybrid Grant

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The data acquisition and control instrument is the central control system in a modern powertrain test cell, Kim said. It is designed to integrate the other two instruments to execute a predefined test schedule to measure all outputs from sensors on test cell components. It does this by coordinating the real-time simulator, a dynamometer and the battery tester.

The instruments will be used to investigate improvement of the electric motor drive based on intelligent direct torque control, power converter fault detection and compensation schemes, and battery thermal management and digital diagnosis of progressive battery damage.

The research is a multidisciplinary effort. Co-principal investigators on the grant include Dohoy Jung, assistant professor of mechanical engineering; Jie Shen, associate

professor of computer and information science; Chris Mi, assistant professor of electrical and computer engineering; Yi Lu Murphey, professor and chair of the department of electrical and computer engineering; Cheol Lee, associate professor of industrial and manufacturing systems engineering; and Roger Shulze, director of the College's Institute for Advanced Vehicle Systems.

At this time, the laboratory does not have an active partnership with any automotive companies. However, Kim said, he plans to pursue partnerships based on the outcomes of his research.

"The outcomes of the proposed project will not only offer a useful and needed research and educational experience that is relevant to the automotive industry of the day, but they will also help to bolster the industry by providing more qualified students," Kim said.

Because there are no unslightly gaps from poorly fitting parts, resale values are also protected.

- Corrosion – Non-original parts are not covered by the Ford Corrosion Warranty and can have reduced stone chip resistance.

Counterfeit and unauthorized substitute auto parts are a major concern for all of the automakers.

Magna 'Keeps Oldest Customers Happy' By Using Big 3 Cars in Demonstrations

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"Obviously, with the versatility of the minivan, you can keep it stowed at all times, if you're carrying four passengers in the rear.

"So if you need to access the third row (one touch collapses seats in front of it)."

As to how Magna decides, for example, to improve on an already popular system such as the original Stow 'n Go, Mackey added some insight.

"There are different clinics that Chrysler conducts, that we conduct, market research, feedback from J.D. Power," he said. "Take all of that consumer data and look at the next generation, what can we do to make it better."

The Magna engineers were bright and engaging in their interactions with journalists – visitors, for example, actually filled out "customer surveys" built into Palm Pilots to measure perceived comfort of new and old seating systems they were testing out.

Among the technologies on display were various lightweight body structures, flexible seating and related seat mechanisms, power closures and latches, advanced composites and roof systems.

Elsewhere at the Magna Bumper to Bumper show, Chief Engineer Jeff Carroll was demonstrating new innovations in seating on a Ford Mustang, while Product Engineering specialist Ron Zimmerman explained a separate seating innovation on a Chevrolet Cobalt sedan.

And Greg Rizzo, director of AcoustiVision, a Decoma International of America unit of Magna, had a Chrysler 300 rigged up that demonstrated how they might rig the rear window as a loudspeaker on a theoretical new type of in-car audio system layout.

Ford Signs Deal to Make Cars for Russian Market

DETROIT (AP) – Ford Motor Co. is teaming up with Russian automaker Sollers to make and distribute cars in Russia, one of the fastest growing auto markets.

Under a deal announced earlier this month, Sollers will build Fords at Russian plants, helping boost a struggling local industry. Ford will have access to a huge market that could bolster its revenues.

Financial details weren't disclosed, but the automakers said they will have equal stakes in their joint venture called Ford Sollers. Ford declined to give production or sales targets for the venture.

The announcement came shortly after Italian automaker Fiat SpA backed out of a potential partnership with the same Russian company. The unraveling of the Fiat Sollers venture gave Ford an opportunity to step in.

Ford and Sollers are expected to finalize their deal in June. The venture's operations could start by year's end.

The Dearborn, Michigan, company began selling cars directly to Russians in 2002, and like many car makers is eager to expand business there as demand improves.

While domestic auto companies in Russia have been struggling, the market itself has been gaining strength.

Car sales in Russia rose by 30 percent last year to 1.9 million, according to the Moscow-based Association of European Businesses. Nine of the 10 best-selling models were produced locally, while Ford Focus was in the top five best-sellers.

Ford's sales in Russia increased to 91,000 in 2010 from 82,000 the year before, but they haven't grown as fast as the rest of the market. Ford needs to grow in emerging markets such as Russia, Brazil, India and China to maintain momentum. The company's market share in the U.S., the most profitable region in the world, isn't expected to increase dramatically even though it has returned to profitability. It is relying on markets outside the U.S. to increase sales.

Under the Ford-Sollers deal, plants in the St. Petersburg region and Tatarstan will

make Ford passenger cars, light commercial vehicles and engines. The venture will also produce parts for Ford vehicles made in Russia and distribute imported Ford products and accessories.

The joint venture will help strengthen Russia's auto industry and its local supply base, said Ford of Europe CEO Stephen Odell.

Many automakers have used joint ventures to make inroads in international markets. General Motors' partnership with the Shanghai Automotive Industry Corp. in China has helped it become one of the largest automakers in the country.

Russia has poured millions of rubles into its stagnant car industry over the past decade to try to resuscitate it. Last year, the government said the industry would survive only in partnership with global players.

Fiat and Russian automaker Sollers had signed a memorandum of understanding last year to produce up to 500,000 vehicles a year in Russia in a bid to become the country's second-largest car maker. The two companies said in a joint statement Friday that they would "pursue independent strategies." Fiat owns U.S. automaker Chrysler.

Fiat's proposed partnership with Sollers had been viewed as a key joint venture. Prime Minister Vladimir Putin oversaw a high-profile ceremony last February that announced the potential deal.

But the venture fell into a financial limbo for months after VEB, a Russian state-owned bank which was expected to give the car makers a euro2.1 billion (\$2.85 billion) loan, said in December that Fiat and Sollers had not provided enough documents to support the application for the loan.

Fiat will maintain a presence in Russia. Sollers has a license to produce Fiat vehicles, including assembly of the Fiat Ducato light commercial vehicle. Ford is not the only automaker angling for more of the Russian market. General Motors Co. increased its sales there 12.4 percent last year. Russia's largest automaker, AvtoVAZ, is partly owned by France's Renault.

All in all, Big Three vehicles got a good workout and look-see at the supplier show.

Magna's North American

headquarters is in Troy, but its Novi facility is home to seating and other engineering functions.

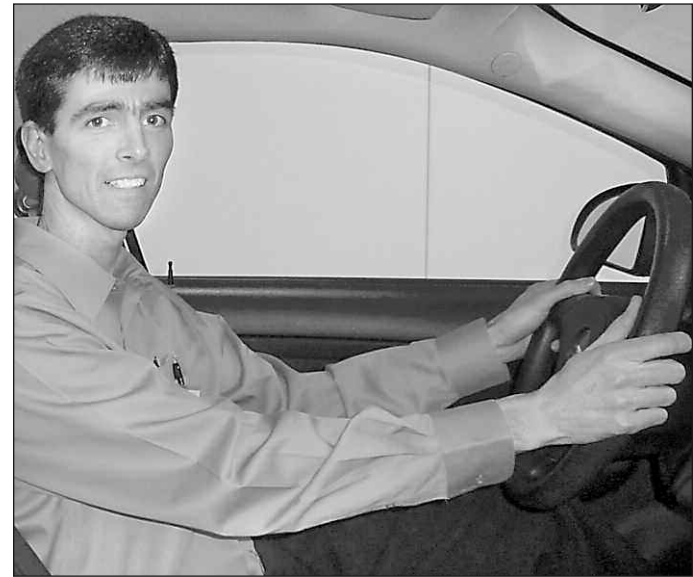


PHOTO: GERALD SCOTT

Magna Product Engineering specialist Ron Zimmerman demonstrates future seating technologies on a Chevy Cobalt.

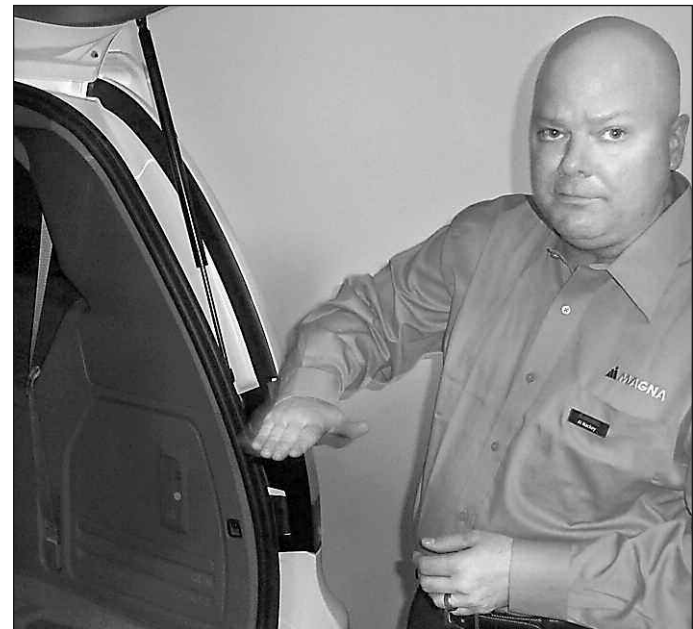


PHOTO: GERALD SCOTT

Magna Chief Engineer Alan Mackey explains new storage and stowing developments on this Chrysler Town & Country minivan.

Ford Library Hosts Lecture

Henry Ford Centennial Library in Dearborn is hosting a lecture about the impact of women – who served as soldiers – in the Civil War.

Expert Judith Coebly will speak on Tuesday, March 1 at 7 p.m. in the Library's Auditorium, 16301 Michigan Ave.

Although women are remembered for working as field nurses or otherwise for the Red Cross during the Civil War, women as actual combat soldiers is less well known.

Coebly has 38 years experience with Dearborn Public Schools and she uses a variety of photographs, pictures, documents and vignettes in making her presentation.

The lecture is free and open to the public to attend. For more information, call the library at (313) 943-2330.