

Ford's Success Works Against It During UAW Talks

By TOM KRISHER
AP Auto Writer

DEARBORN, Mich. (AP) – Ford's turnaround over the last five years has resulted in big profits and won its CEO a reputation for brilliant management.

But those same achievements are stirring resentment among many of its factory workers. And that is complicating contract talks between the company and its union employees.

At The Rouge, Ford's massive, 94-year-old factory complex in Dearborn, there's talk along the assembly lines of winning back raises and bonuses lost when the company was near financial collapse in 2007. Workers, who assemble F-150 pickup trucks at the site, are upset that Ford is trying to cut labor costs, especially after nine straight profitable quarters and a \$26.5 million pay package for CEO Alan Mulally.

A few miles to the north, inside Ford's 13-story headquarters known as the Glass House, executives are worried because workers, on average, cost the company \$58 an hour in pay and benefits, the highest in U.S. auto industry.

Both sides are trying to find a compromise this week while work continues at Ford factories under a contract extension. A top union bargainer told workers on a telephone recording Monday night that talks are accelerating and he is "hopefully optimistic" a deal can be reached this week.

Ford's profits and the possibility of a strike could force the company into a deal that's more generous to workers than the one already negotiated with General Motors Co. Chrysler, meanwhile, continues to negotiate its own contract with the union.

Differences between Ford and the union date to 2007, when all three Detroit automakers were on the verge of financial ruin. The year before

that, Ford lost \$12.6 billion, and U.S. sales were down 8 percent. Worried that the company would collapse, Ford workers began a series of givebacks.

Like workers at GM and Chrysler, they eventually gave up cost-of-living pay raises, performance bonuses and other benefits. GM and Chrysler needed government bailouts and bankruptcy protection to stay in business, but Ford took billions in private loans and endured on its own.

As a result, Ford became a consumer favorite and the company prospered. It paid Mulally for engineering the turnaround and restored merit pay and some other benefits for white-collar workers, angering union members.

"The compensation for the CEO has been widely publicized, and those kinds of things wend their way up and down the assembly line," says Harley Shaiken, a professor at the University of California at Berkeley and a specialist in labor issues. "It creates higher expectations."

At Ford, bargainers are expected to use the deal with GM as a template. But it's unclear if its provisions will be acceptable to Ford or its

union workers. Under the deal, GM workers would get a \$5,000 bonus for ratifying the contract, more profit sharing and higher pay for entry-level workers. Although the deal has no pay raise for most workers, it appears headed for approval.

It's the lack of raises that has rankled many of Ford's 41,000 factory workers.

"Ford has to do a lot more," says Gary Walkowicz, a worker at the company's Dearborn plant, the epicenter of union dissent.

Walkowicz says many workers are ready to strike, especially in Dearborn. Workers there led the rest of the company in rejecting a round of concessions in 2009. Ford sought the concessions to match deals given to GM and Chrysler as they were going through bankruptcy protection.

Ford is the only Detroit automaker where the union can strike, something it has not done at Ford since 1976. Walkouts over pay are banned this year at GM and Chrysler Group LLC under the terms of their government bailouts. At Ford plants, workers are making picket schedules in case they need to strike. But getting ready is standard procedure during contract talks.

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Gary Chaison, a professor of labor relations at Clark University in Worcester, Mass., says Ford can cut the risk of a strike if it doesn't stray too far from the GM contract. But if Ford tries for big labor cost cuts, the odds of a strike rise to 50-50, he says.

UAW President Bob King has said he's not thinking about a strike. But he thinks workers should get a piece of the profits because they have each given up \$7,000 to \$30,000 a year in concessions since 2007. He also has called Mulally's pay "outrageous."

Mulally, in a recent interview, defended his compensation, saying it was determined by the company's success and the free market. He said much of his pay is "at risk" because it comes in stock that can rise and fall in price based on Ford's performance. Mulally's salary is \$1.4 million, with the rest coming in stock and a bonus.

Ford's white-collar workers say the union complaints about pay are unfounded. Ford records show that UAW-represented hourly workers have seen larger increases in pay and benefits over the last decade than many white-collar workers.



Revealed for the first time at the Auto Shanghai 2011 show, the AVANT GT is a pure electric sports grand tourer. It was totally designed by Troy-based Altair ProductDesign together with its Asian partner, Taiwan-based Studio X-GENE.

Altair Engineering Teams Design a Concept Vehicle

TROY, Mich. – Altair Engineering Inc., a leading global provider of simulation technology and engineering services, announced recently that its product development division, Altair ProductDesign, has successfully partnered with Taiwanese automotive design consultancy, Studio X-GENE, to develop a new electric concept vehicle.

Revealed for the first time at the Auto Shanghai 2011, the AVANT GT is a pure electric sports grand tourer.

The AVANT GT is a project initiated by Studio X-GENE along with its partners, Delta Electronics, Wistron and Qisda, to demonstrate its domain knowledge and expertise by building an electric vehicle platform.

Altair ProductDesign became involved in the project to lend its support to the engineering development of the vehicle.

Altair was given responsibility for providing a simulation-driven design approach for the vehicle's crash, durability, vibration, vehicle dynamics, and computational fluid dynamics drag evaluation, along with supporting Studio X-GENE during the architectural design phase.

"The AVANT GT is a unique project for Studio X-GENE and represents the quality of automotive design expertise available in Taiwan today," said Albert Yang, executive director of Studio X-GENE.

"Partnering with Altair ProductDesign proved invaluable.

"Combining our design knowledge with Altair's engineering and optimization expertise has allowed us to de-

liver this exciting, high-performance new vehicle to the Shanghai Auto Show and really make an impact on the automotive community."

Altair ProductDesign worked with Studio X-GENE to implement a comprehensive set of optimization techniques throughout the AVANT GT's development to ensure that the car remained as lightweight as possible, while meeting all structural and safety requirements.

A minimum mass aluminum alloy body frame was developed as the basis for the concept car, and was combined with a range of carbon fiber components to keep weight down, and maximize performance and vehicle power range per charge.

This dedication to a lightweight design resulted in the car weighing just 1600kg when revealed at the Shanghai show, which is significantly lighter than most electric, battery-driven vehicles of the AVANT GT's size and specification.

"After all of Studio X-GENE's and Altair's excellent work on this project, it was a great sense of accomplishment to see the AVANT GT on display at the Shanghai Auto Show," said Richard Yen, vice president, Altair ProductDesign.

"As concern about future fuel prices continues to rise, automotive OEMs and customers alike are exploring the advantages that electric vehicles offer."

Altair Engineering Inc. is privately held, with more than 1,500 employees. Altair has offices throughout North America, South America, Europe and Asia/Pacific.

'Safe Kids' Reaches Milestone

WASHINGTON, D.C. – Safe Kids USA reached a milestone last week with the 500,000th child safety seat given to a family in need at a Washington, D.C., Safe Kids car seat inspection event.

Safe Kids Buckle Up (SKBU) has educated more than 21 million parents and caregivers about child safety in and around vehicles.

The 500,000th seat was presented to Alison Forest for her 4-year-old daughter at the

Edward C. Mazique Parent Child Center. The event is one of more than 400 sponsored by SKBU for National Child Passenger Safety Week.

National Transportation Safety Board Chairman Debbie Hersman was joined by GM Safety and Crashworthiness Executive Director Gay Kent and Safe Kids' Lorrie Walker for the presentation.

As a major element of the program, thousands of child seats have been distributed.

Chrysler Hosts Supplier Week From Oct. 24-28

Chrysler Group is inviting the auto and industrial supply community across South-eastern Michigan to participate in the OEM's next Supplier Training Week.

Scheduled for Oct. 24-28 at Chrysler headquarters in Auburn Hills, the training provides the OEM and the supplier community the opportunity to add value to both sides of the partnership.

Chrysler Group Supplier Training Week is designed to open the lines of communication, improve efficiency and quality and strengthen the working relationship.

October's Supplier Training Week will offer 78 training sessions covering the areas of Purchasing, Risk Management, Engineering, Quality, Supply Chain Management, Mopar, and Finance.

Whether you are a new supplier learning how to access and use Chrysler applications or an existing supplier looking for a refresher on technology upgrades, these sessions will help you become a more engaged member of the Chrysler Group team.

New courses and activities this year include, but are not limited to, the following offerings:

- Engineering Design and Development;
- Smart Financial Management and Responsible Leadership II (University of Detroit Mercy);
- Tour of the Quality Engineering Center (QEC);
- DRIVe Violation Dispute Guidelines;
- Vontik – Financial Risk Management Process;
- Preparing Tooling Invoices;

Visit ChryslerPortal.Covisint.com or www.Chrysler-Training.com to access registration forms.

Now through Oct. 14, your \$50 per person registration fee provides unlimited access to all classes and activities during Supplier Training Week.

After Oct. 14, participants must register on-site (if classes are not full) and the cost will be \$100 per person at that time.



GMC, together with the NFL, launched its second annual Monday Night Football Tour recently. This year's expanded tour program invites fans to test their football skills for a chance to win Monday Night Football game tickets, NFLshop.com gift cards and signed memorabilia; meet current and former NFL players; and test drive GMC vehicles at NFL football games.

GMC Teams with NFL and United Way To Test Football Skills, Give Test Rides

DETROIT – GMC, together with the NFL, will launch its second annual Monday Night Football Tour this weekend undertaking United Way community projects in Dallas, followed by Tampa Bay, Detroit, New York City, Kansas City, Philadelphia, Boston, New Orleans and Seattle.

This year's expanded tour program invites fans to test their football skills against the pros for a chance to win Monday Night Football game tickets, NFLshop.com gift cards and signed memorabilia.

Fans can also meet current and former NFL players such as Miles Austin, DeSean Jackson, Mike Altstott and Tony Dorsett, as well as ESPN Monday Night Football announcer Mike Tirico.

After testing their skills and meeting the pros, fans will have the opportunity to test drive the GMC Acadia, Sierra, Terrain and Yukon. GMC is the official vehicle of the NFL. Those interested can go to MondayNightFootballTour.com to learn more and register for the event.

"GMC is taking its game plan for the Monday Night Football Tour to the next level by delivering a more engaging interactive event for NFL fans," said Craig Bierley, GMC advertising and sales promotion director.

"In its first year, the tour helped GMC connect with NFL fans in a fun and engaging way. We're looking to build on that success in 2011."

As part of the tour, GMC is teaming up with United Way volunteers, including NFL players, to build playgrounds in local communities as part of United Way's nationwide effort to get 1.9 million more kids active and healthy by 2018.

The "United Way Healthy Kids Zones – Driven by GMC" will offer children the opportunity to climb, build upper body strength, promote balance and agility, and develop strength and endurance.

The playground equipment,

paid for by GMC and supplied by GameTime, is designed to help children develop active, healthy bodies, as well as personal and social skills.

"Experts recommend that young people engage in moderate-to-vigorous physical activity for at least 60 minutes a day," said Kitty Hsu Dana, vice president of Health at United Way Worldwide.

"This gift from GMC will offer thousands of children and families the opportunity to improve physical fitness with fun, interactive activities."

Now in its 37th year, the NFL-United Way partnership connects NFL PLAY 60 with United Way's goal to increase

youth health and wellness.

Studies show the obesity rate among children has nearly doubled in the last 10 years, with approximately 9 million American children over six years old considered obese and at high risk for health problems such as diabetes and heart disease.

"GMC recognizes how important it is to raise awareness about the issue of childhood obesity and to create new opportunities for young people to lead healthier lifestyles," Bierley said.

"By working with the NFL and United Way, GMC is helping make communities stronger."

Sealants, Air Pumps Replace Spares in Some New Cars

By TOM KRISHER
AP Auto Writer

DETROIT (AP) – Say you just bought a new car, and the right front tire goes flat as you're driving down the freeway.

Don't be surprised if there's no spare when you look in the trunk.

This year, more than 14 percent of new models on sale in the United States came with liquid tire sealant and a portable electric air pump instead of a spare, a trend that is growing as automakers try to shed pounds and boost gas mileage.

But there can be problems. While the sealant works well in most cases, you could be stuck on the shoulder if the hole that caused the flat is larger than a quarter of an inch, or if the puncture is on the side of the tire. In those cases, the only option is to have your car towed, and you may have to wait for a repair shop to track down a new tire.

"The last thing you want to do is find out the hard way that you don't have a spare tire if you're stranded on the side of the road," said Gene Petersen, tire program leader for Consumer Reports maga-

zine, a testing authority.

However, General Motors Co., Hyundai Motor Co. and other automakers that use the pump-and-sealant kits say they have many advantages, mainly the weight savings. The kits are about 20 pounds lighter than a temporary spare and the jack and other tools needed to put on the tire. Also, the inflator kits don't take up as much room in the trunk, leaving more space for luggage or other cargo.

GM, which has made inflators and sealant standard on all but five of its 22 U.S. car and crossover models, said the kits can fix 85 percent of tire punctures. They're easy to use, even for someone who might be afraid of changing a tire, and they're safer because tires can be quickly refilled, getting the driver off the roadside and back in traffic faster than putting on a spare, said Dave Cowger, GM's tire engineering group manager.

Hyundai says the inflator kits help avoid another problem: getting dirty while changing a tire yourself. All you do is attach some tubes and fill the tire with sealant and air.

GM's market research, Cowger said, shows that half of consumers would call for

roadside assistance rather than using a spare.

Also, new cars now come with electronic tire pressure monitors, so a slow leak in a tire is likely to be detected and fixed before it causes problems on the road, Cowger said.

GM, like many automakers, offers car buyers the option of getting a spare tire, charging \$100 to \$150 more for them. Cowger wouldn't say if GM saves money by swapping inflator kits for spares.

But many new car buyers assume that they're getting a spare and don't ask about it, said Ronald Montoya, consumer advice associate with the Edmunds.com automotive website.

"Unfortunately, this is something that many of us don't think of when shopping for a car," he said.

Plus, new cars are often equipped with larger wheels and performance tires with smaller sidewalls than regular tires. That helps a car handle better, but the sides of those tires take more punishment from potholes and are more prone to sidewall punctures, said Petersen.

Still, for the 85 percent of flats that the sealant can fix,

there are 15 percent that it can't.

That's why Honda Motor Co. uses spares on all its 2011 models, spokesman Chuck Schifsky said.

"An actual spare tire is the best backup system should a customer have a flat tire," he said. "This is especially true in cases where the tire is damaged beyond what the tire sealant and pump systems can repair."

Nick Romito, an auto finance underwriter from Antioch, Ill., not far from Milwaukee, said he wouldn't buy a car without a spare tire.

"I don't have a lot of confidence in those sealant products," he said. His family recently bought two used Ford Fusion sedans, both of which have spares, because Romito fears that the sealant could fail after it's squirted into the tire and under pressure from compressed air.

Automakers, however, say the sealant is reliable, but they recommend checking a few miles after fixing a flat to see if the tire needs a little more air.

GM also recommends that people drive no more than 100 miles before getting a sealed tire repaired.