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Auto Loan Delinquencies Down Slightly in Quarter

By EILEEN AJ CONNELLY
AP Personal Finance Writer

NEW YORK (AP) – The rate of late payments on auto loans fell in the third quarter from the 2010 period, but was up slightly from the second quarter as the average size of outstanding auto loans hit a record high.

The increase reflects seasonal patterns more than a sign of trouble brewing, according to credit reporting agency TransUnion.

U.S. consumers were 60 or more days late with their payments on 0.47 percent of auto loans in the June-to-September period, down from 0.58 percent last year. The

rate in the 2011 second quarter was 0.44 percent.

Data culled from TransUnion's data base of 27 million consumer records showed that the rate of late payments rose compared with the second quarter in 32 states, while it dropped in 15 states and was unchanged in 3 states.

Even with the uptick, the late payment – or delinquency – rate is near the historic low, according to Peter Turek, automotive vice president in TransUnion's financial services business unit. Prior to the recession, the rate typically fluctuated between about 0.55 percent and 0.71 percent.

In the first quarter of 2011,

the rate bottomed out at 0.49 percent, the lowest level since TransUnion began tracking the rate in 1999. Late payments peaked at 0.86 percent in the fourth quarter of 2008.

Auto payment delinquencies usually rise in the third quarter, even when the overall trend is heading down.

That reflects several factors, including that most loans are written during the second or third quarter, and new borrowers sometimes have trouble coming up with their payments.

"Typically, you really don't see the impact on your household budget until the second or third payment, so if you don't plan for it, you could get

a little sticker shock," he said.

The auto loan delinquency rate is staying down despite an increase in the number of new loans being written and their rising dollar amount, Turek said. The average loan outstanding rose during the third quarter to a record \$12,902, compared with \$12,500 last year, and \$12,689 in the second quarter.

The size of the average loan had dropped from a previous high of \$12,869 in the second quarter of 2008, in part because lenders pulled back sharply amid the Great Recession. Lending has opened up in the past few months, which is increasing the average balance.

Ford Builds More Comfort into Car Seats

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joined" showrooms.

By taking over the design job themselves, Ford is able to enjoy tremendous economic savings by having only a couple of different seat designs.

They also brought a more scientific rigor in determining what people actually want in a seat.

"Before, it was all anecdotal," Kolich said.

"It was assumed that in different parts of the world, people had different standards for what constituted a comfortable seat.

"It was assumed that Germans liked a stiffer seat and Americans liked a softer seat. What we learned is that peo-

ple really liked pretty much the same thing across the world.

"So, while Americans could be given a seat a little stiffer than they were used to, they found they liked the seat a lot. The Germans were given a seat a little softer than what they were used to, but they liked that seat, too, and it was the same seat given to the Americans."

Having "world" standards means not having to design seats for different areas around the planet, Kolich said.

That saves time and money, allowing the company to enjoy economic benefits in addition to producing a more comfortable ride.

One that differentiates the

new Escape seat from previous designs is the use of a "V" shape that more easily accommodates different body types. The old seat used a more "U" shape.

In many ways, Kolich said, the car industry is just catching up to the office chair business.

After showing reporters the new Escape seat, he showed them a series of pictures displaying changes in office seats from the 1960s to the present. The designs improved comfort while adding a sense of style.

He said Ford and GM are leading the charge for better seats in their respective vehicle price ranges.

In the past, it was assumed that buyers would trade some

comfort to get a less expensive car, but that assumption no longer flies. Consumers want comfort and affordability, making Ford's emphasis on better and more efficient seat design an important component of its car strategy.

"People are spending more time in their cars than ever," Kolich said. "In this country, people commute, on average, about 101 minutes a day. This longer time in cars is a global trend. People around the world are also getting bigger and, on average, older. That demands a better car seat as well."

The Escape seat is just beginning, Kolich said. As time goes on, newer and better designed seats will be installed in all Ford vehicles.



PHOTO: JIM STICKFORD

The new Ford Escape seat, left, is replacing the older Focus seat, right, beginning in 2012. The seat was just introduced at the L.A. Auto Show and represents the latest in Virtual Reality design. Ford uses the latest in Programmable Vehicle Modeling 3-D digital technology to design the seats that offer the latest in comfort.

GM Tech Center Lab's Creation Aids Back Seat Kids' Quiet Time

DETROIT – In a family vehicle like the Chevrolet Traverse crossover, abundant storage can help keep the peace among young rear-seat passengers on long drives. General Motors designers and engineers used the latest 3D virtual-reality technology and customer feedback to make it so.

GM Director of Design Quality Matthew Davis says the key lies in understanding where a customer wants certain features to be located. Customers were asked very early in the Traverse's development about what they carry in their car and where they want to store it. A decade ago, customers wanted places to store CDs and Gameboys. Today, the convenient storage of smartphones, MP3 players and electronic tablets is what matters.

With 116.4 cubic feet of storage, GM officials say the Traverse offers the most cargo space in its segment, along with seating for up to eight.

Customer feedback helped

engineers develop an optional family-friendly second-row armrest, which unfolds into a tray table while leaving ample storage space for rear-seat passengers.

Recognizing that drivers and passengers riding "shotgun" need a variety of things within arm's reach, GM designers on this vehicle created the front center armrest to slide fore and aft, and multiple storage bins that can be raised out of the way for unobstructed access to the covered storage bin within the center console.

Keeping the little ones in mind, the design and engineering team considered customer feedback when positioning the cup holders molded in the doors. They were designed to fit various shapes and sizes of bottles and Sippy cups while remaining within reach of children sitting in the rear with or without a car seat.

In a family-friendly focus group, children were asked to say where they wanted the



Kathy Feiler, Visualization engineer, left, and Matthew Davis, Design Quality director, in the Virtual Vehicle Engineering Center at the General Motors Tech Center in Warren, together working on storage space issues for the Chevrolet Traverse.

DVD screen located, and their input was used in determining its position.

Designers and engineers used a high-powered 3D virtual reality system called Cave Automated Virtual Environment, or CAVE, to develop interior dimensions and design ideas.

"We're looking for ideas on where we can store items inside the vehicle while maintaining a clean, uncluttered interior with fresh industry-leading design appeal," said Davis.

The CAVE allows his team to explore ideas and make changes to the vehicle's inte-

rior in virtual reality, well before production.

The efforts have been noticed in automotive and other reviews of Traverse, such as one in 2010 by parents.com, the Web site of Parents magazine.

"You can get a week's-vacation worth of luggage into the

rear cargo well, and, with the seats folded down, this vehicle could almost double as a delivery van," parents.com said in rating Traverse among its best family cars.

"My job is to act as the voice of the customer, so getting customer input early is essential," said Davis, the design quality director.

"As a dad, I'm keenly tuned in to what kinds of storage features are needed in a vehicle."

Campbell Ewald Launches CE CITY Charity Program

by Gerald Scott
News Dept.

Campbell Ewald is celebrating the ad agency's centennial (1911-2011) in a unique way these days.

Instead of a lavish party, the firm is instead creating and promoting a philanthropic endeavor called CE CITY – Creatively Inspiring Talented Youth.

The agency is donating time and talent with an initiative that underscores its historical commitment to giving back to the community by supporting the next generation of creative talent.

CE CITY consists of the CE CITY Panel; CE CITY Workshop at the College for Creative Studies; the Mac Shack, a Mac computer lab at YouthVille Detroit; and an annual scholarship to attend the College for Creative Studies.

"As we celebrate our 100th anniversary, we thought that instead of spending time and money on a lavish party, (that) we would support the community instead with a new program that would last into perpetuity," said Bill Ludwig, chairman and CEO of the Warren-based firm.

"How this got started is that I was talking with Mayor Bing and he mentioned the great work being done over at YouthVille.

"So through CE CITY, we've established a media arts lab that includes a dozen fully

loaded Macs for the kids to use. The Macs have Final Cut Pro, Photoshop and other programs that professionals use."

There are a number of elements to CE CITY, among the first of which was the CE CITY Panel – a symposium for high school students to learn about the educational and career opportunities in creative-related fields, such as advertising, which kicked off the CE CITY initiative on November 29.

WDIV-TV's meteorologist Andrew Humphrey moderated the event, where panelists shared insights about experiences as well as answered questions from students.

That kickoff event was held at the former Argonaut Building in New Center, which today is the new College for Creative Studies campus featuring the renovated Alfred Taubman Center for Design/General Motors Auditorium.

Meanwhile, the CE CITY Workshop will take place at CCS during their 2012 winter semester. Campbell Ewald and CCS will provide high school students with hands-on learning opportunities and mentoring as they develop creative solutions addressing real marketing challenges. Applications for the Workshop will be available in February.

Next, CE CITY Scholarship – an annual scholarship for one talented student to attend CCS will be available through

the generous support of Campbell Ewald.

"Partnering with Campbell Ewald allows us to bridge the gap between education and real-life experience," said Mark Zapico, associate professor and chair of the advertising department, College for Creative Studies. "Our collaborative efforts will allow us to foster student development on a deeper level."

As CEO Ludwig mentioned, Campbell Ewald and its employees will also fund the "Mac Shack," a Mac lab at

YouthVille Detroit that will provide tools for students to explore creative talent in digital media arts. YouthVille Detroit is an after-school "safe space" for 11- to 19-year-olds.

"The resources and commitment Campbell Ewald has donated supports our mission of developing today's youth and helping shape Detroit's future," said Judith Jackson, president and CEO of YouthVille.

"The new Mac Shack will allow our students to further explore their creative talents

in ways that would not have been possible before."

Added CE's Ludwig, "The vibrant, talented youth of Detroit are the future of the creative industry."

"CE CITY will ignite, build and support this new generation by providing awareness and educational opportunities as well as tools, mentoring and hands-on learning to further develop their creative talents."

For more information about the endeavor, visit CE CITY'S Facebook page.



Campbell Ewald is celebrating its centennial anniversary by creating CE CITY – Creatively Inspiring Talented Youth. The agency is donating time and talent with an initiative that underscores its historical commitment to giving back to the community by supporting the next generation of creative talent. The first CE CITY meeting was held Nov. 29 at the CCS / General Motors Auditorium, above.

MDOT Seeking Public Input for Five-Year Plan

LANSING – The Michigan Department of Transportation (MDOT) is seeking public comment on its draft 2012-2016 Five-Year Transportation Program.

The draft document includes a list of specific state transportation projects planned for the next five years in each of MDOT's seven geographic regions.

For the first time ever, you can locate the projects by proposed construction year on an interactive state map.

The draft 2012-2016 Five-Year Transportation Program is available on the MDOT Web site found online at michigan.gov/mdot5year-plan. Public comments will be accepted until Thursday, Dec. 29, 2011, and should be e-mailed to MDOT-Five-Year-Program@michigan.gov.

Meanwhile, to request alternative formats of the MDOT document, such as large print, please contact Bob Parsons, Public Involvement and Hearings Officer, Bureau of Transportation Planning, Michigan Department of Transportation, P.O. Box 30050, Lansing, MI 48909; fax: 517-373-9255; or e-mail him online at work at: parsonsb@michigan.gov.