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2014 Jeep Cherokee

Cadillac Creates Livery Package for XTS, Aimed at the Chauffeur-Driven Market

When Lincoln stopped making the Town Car, it created a vacuum in the livery market, a vacuum that Cadillac is beginning to fill.

Cadillac is now selling more than 9 of 10 all-new XTS models to individual luxury buyers, but the new luxury sedan is also outfitted with a special package that redefines how fleet and car service operators transport their more than 400 million customers.

"Livery" is the legal term in the U.S. for a vehicle for hire, such as a taxicab or chauffeured limousine, but excluding a rented vehicle driven by the renter.

Pat Nally, marketing manager for the XTS, said that while Cadillac has been in the livery market for many years, they are now making a big push to expand the brand's presence in that niche.

"This gives us the opportunity to get people in one of our cars that would otherwise never travel in a Cadillac," Nally said. "The cities where livery services are most popular are along the coasts. These cities – New York, Los Angeles, Washington, D.C., and Miami – are not markets where Cadillac is as well as we would like."

Also, Nally said, there will be more sales of Cadillacs, which is



The XTS W20 livery package aims to get bigger sales in the livery segment.

never a bad thing. But their focus is on exposing the XTS to new people.

"This is about more than sales," Nally said. "Selling XTS cars to livery companies is worth more to us in terms of exposure than what we gain in individual sales."

Nally said the feedback from livery companies has been positive. He said the company purposely sold a regular-sized XTS to livery companies.

"There are different choices when it comes to what size car to buy," Nally said, "but when you're hauling two or three peo-

ple with luggage, you don't need a lengthened version of a regular car. They could buy a stretched XTS, but most haven't."

Jordanna Strosberg, Cadillac spokesperson, said the XTS being sold to livery companies uses the W20 package, which will not be available to the public. The car itself will have the same dimensions as a XTS sold to the public.

"We didn't have to change anything in terms of size for the livery package because the XTS was designed to be generous with interior space in the first place."

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Cherokee Name Back

by Irena Granaas

After an 11-year absence, the Cherokee name returns to the Jeep brand in time for the 2014 version's grand reveal at the New York International Auto Show March 27-28.

Chrysler stopped producing the Cherokee in the United States, Canada and Mexico in 2001, replacing it with the Liberty.

The popular mid-size sport-utility continued to be known as the Cherokee in Chrysler's other global markets, explained Chrysler spokesperson Kathy Graham.

"The Cherokee is returning," she said. "The name is instantly

recognizable – it's the most capable mid-size SUV in the world, but for 2014 it's also going to have great on-road dynamics and greatly improved fuel efficiency compared to the Liberty."

According to Chrysler, the all-new 2014 Jeep Cherokee will feature an impressive 45 percent jump in fuel economy, as well as enhanced on-road driving characteristics compared with the outgoing Jeep Liberty mid-size SUV.

The 2014 Cherokee is slated to arrive in dealer showrooms in the third quarter of this year.

The Jeep Cherokee will be built at Chrysler's Toledo Assembly Plant in Ohio.

'Policymakers Should Balance Need For Regulation with Justifying Costs To Manufacturers' – Timmons

Making the U.S. the best place in the world to manufacture goods and to attract foreign investment is a top item on the agenda of the National Association of Manufacturers (NAM).

That, according to NAM's president and CEO, Jay Timmons, is one of four main goals.

Speaking to members of the Detroit Economic Club (DEC) Feb. 7, Timmons presented NAM'S 2013 agenda to promote economic growth and a manufacturing industry renaissance in the United States.

He cited three other main goals: that U.S. manufacturers be the world's leading innovators; for the U.S. to expand access to global markets so manufacturers can reach the 95 percent of consumers who live outside our borders; and that manufacturers will have access to the workforce that the 21st century economy demands.

Timmons gave some eye-opening statistics, for example, that the manufacturing industry supports an estimated 17.2 million U.S. jobs, or about one in six private-sector jobs. Also, he added that the United States has the highest corporate income tax rate among its six largest trading partners.

"Manufacturers in the United States (have) the most productive workers in the world, far surpassing the worker productivity of any other major manufacturing economy, leading to higher wages and living stan-



Jay Timmons, CEO of NAM

dards," he said.

Today's manufacturers have many options when deciding where to invest and build facilities, Timmons said, adding that all too often, U.S. policymakers impose policies that put American manufacturers at a disadvantage.

Timmons called for balancing the need for regulation with justifying the costs of such regulations to manufacturers. His economic prescription also cites the need for a comprehensive plan for economic growth, common-sense tort reform, and a national tax climate that promotes manufacturing. Timmons said it's 20 percent more expensive to manufacture products in the U.S. compared with competing locations – and that's excluding the cost of labor.

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Defense Industry Contracts are Good Bet For Businesses Despite Sequestration

by Jim Stickford

Doing business with the Defense Department still makes sense, even with the sequestration.

That's why Automation Alley held a special conference in which local companies could ask experts how to navigate government bureaucracy to get contracts.

The meeting was held in Troy Feb. 28, and speakers included Dan Raubinger, director, Defense and Manufacturing for Automation Alley; Jennifer Tisdale, procurement counselor, Procurement Technical Assistance Center (PTAC); and Marie Gapinski, associate director, Office of Small Business Programs – U.S. Army TACOM.

Raubinger began the meeting by noting that no matter what happens with defense spending under the current budget situation in Congress, there will still be defense contracts that will be issued by the government.

Tisdale said that PTAC of Schoolcraft gets its funding from both the Defense Department and the state of Michigan. With 11 PTAC offices across the state, its goal is to support businesses that want to be defense suppliers. Her website address is www.schoolcraft.edu/bdc.

The most common thing she hears from people is that "only the big boys win" contracts. Tisdale said that's not true and the Small Business Administration can help get contracts.

The Defense Department requires a percentage of small contracts to go to different segments

of the business world, including female-owned businesses, those owned by disabled veterans, and minority businesses.

"We can help you find out if you qualify," Tisdale said.

The second thing she's heard lately is that with budget cuts, there's no sense in going after defense contracts. She pointed out that the federal government will still be giving out hundreds of billions worth of contracts for goods and services every year.

"And the sequestration doesn't slow the flow of funds from large contractors to small ones," Tisdale said.

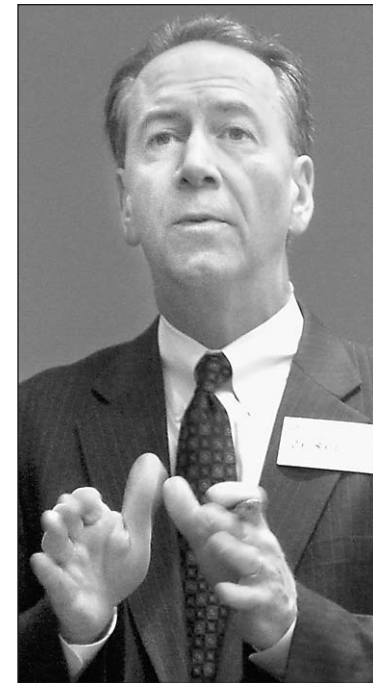
"Another thing I hear is that the Defense Department only buys weapons. We like to say that if you use something at home in your regular life, the government buys it, too."

And, Tisdale said, she hears from people that the process of getting a government contract is too complicated. She admitted that there is some truth to that notion, but that's why PTAC exists – to help small businesses do business with the Defense Department.

PTAC officials provide classroom training and market research – and also help sub-contractors get work. One thing they don't do is provide help with pricing.

They also help companies identify what government agencies would be best suited for them.

Raubinger said there is a niche that manufacturers can fill that many people don't know about. He called it "reverse engineering," or the recreation of parts



Dan Raubinger

for vehicles and equipment the military is still using.

Raubinger said it's not uncommon for a company that made a particular part to go out of business, which means that the military needs these parts but has no manufacturer.

That's where reverse engineering comes in. Companies that can examine the parts and duplicate them can do some business with the Defense Department. By working with groups like Automation Alley, local manufacturers can find out if they can get that kind of business, Raubinger said.

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