Automotive News

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CDK cyberattacks are a warning sign

Sherry Porter, a salesperson at Village Ford in Dearborn, Mich., is among those who have had to figure out dealership workarounds after CDK shut down some of its technology.

PAIGE HODDER

Security breaches could trigger litigation, more threats to industry

Mark Hollmer
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Two cyberattacks on CDK Global's North American operations have served as a worrisome reminder to the auto industry: No large company, no small business, no single person is 100 percent safe from a data breach.

The CDK crisis that began June 19 came just over a week after Findlay Automotive Group, which operates roughly 35 dealerships in Nevada, Utah, Arizona, Washington and Idaho, dealt with a breach that hampered its sales and service operations. The CDK and Findlay attacks, which followed a major strike against MGM Resorts last fall, were a long time coming to the auto industry, said Erik Nachbahr, president of cybersecurity services provider Helion Technologies.

"It's a terrible wake-up call for the industry," Nachbahr said. "This is only the beginning. ... It remains clear that determined cybercriminals have the upper hand and their dominance is growing."

■ Get all our coverage of the CDK cyberattacks at autonews.com.

Questions remain whether these cyberattacks and their fallout will hurt overall June sales figures and possibly auto retailers' second-quarter earnings. Many dealerships are bloated with vehicle inventory and may not be able to finish a vehicle sale

see CDK, Page 35

OFF-LEASE POOL ABOUT TO DRY UP

'21 COVID-driven collapse means drastic cut in returns starts this year

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The U.S. auto industry may be ready to move on from the chaos that reigned during the COVID-19 pandemic in 2021, but a lingering symptom of those tumultuous times is coming around this summer — one that may take some time to recover from.

Starting next month and for most of the next two years, the number of lease turn-ins — which fuel new-vehicle sales, provide valuable feedstock for profit-rich certified pre-owned programs and lure loyal customers back to the dealership — will decline rapidly.

■ 32 brands' 2019-24 Q1 leasing transaction rates | PAGE 32 |

And unless dealers, automakers and their financial partners figure out ways to get once-loyal lessees back on their formerly semipredictable three-year cycle, the long-term impacts on the industry could metastasize into something far worse than a temporary headache, some analysts say.

"In our forecast, we don't get back to 2023 in terms of used-vehicle supply until the end of the decade," said Tyson Jominy, vice president of data and analytics at J.D. Power. "We had fewer leased vehicles in 2021, so we have fewer people coming back in 2024, which means that in 2027, we still will not be back to normal. We're losing a very loyal turnkey customer who moves from one lease to the next very fluidly, and we're going to have to work harder to get them or else there's a potential sales risk."

DAVID PHILLIPS

A number of factors dragged down the leasing rate during the pandemic, such as inventory shortages, rising interest rates and falling incentives.

Turn-ins will drop starting this year because the leasing rate fell dramatically beginning in mid-2021, from 1 in 3 new vehicles before the pandemic to as few as 1 in 6.

A number of factors drove down leasing. Among them:

■ Manufacturers experienced COVID-related supply and production interruptions that led to an industrywide inventory shortage. Meanwhile, strong consumer demand — fueled in part by stimulus

see LEASING, Page 33

'23 revenue was up, but suppliers adjust strategies

EV transition, geopolitical issues spur shift in where and how to make parts

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Revenue at the world's largest auto parts suppliers grew in 2023 from a year earlier as the supply chain chaos of the post-COVID global economy began to subside.

But beneath the numbers, a shift is occurring in where suppliers are producing their parts, which parts they are making and long-term strategies as they cope with the bumpy transition to electric vehicles, massive geopolitical uncertainty and years of reduced profits.

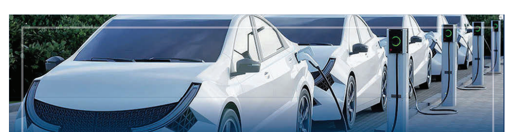
"When supply chains are tight, it's super important to have the right mix of products that you're building with the resources that are constrained," said Paul Thomas, head of Bosch's Americas mobility unit. "The last thing you want to do is build a lot of the wrong thing."

Top 100 suppliers: Data and analysis

Go to autonews.com/topsuppliers for the 2024 Automotive News ranking of top suppliers in the world, North America and Europe. All Access subscribers can:

- Sort the top 100 lists and view top 10 rankings in several categories
- Read about newcomers in the supply chain
- Download a 20-page compilation of all the articles and tables.

see SUPPLIERS, Page 34



Intelligence Report

Second in a 5-part series: Expansion of public charging networks and reliability are top priorities for automakers and electric vehicle charging companies. | PAGES 24, 26 |

A New Era of Dealership Training

This May, Ford is embracing the future of dealership training with its new platform, Ford University. This digital platform and mobile app will empower dealers around the country with the knowledge and skills they need to become trusted advisors for their customers.

Led by a powerhouse team of tech industry veterans and award-winning content creators, each person involved set out to create a new era of dealership training. "I'm a builder by nature," says Abby Vietor, Global Director of Dealer Training & Productivity, and Head of Ford University. "Ford presented an opportunity that all builders dream of – to leverage new technologies and completely reimagine how we approach enterprise learning."

Having spent the last 20 years in high-tech enterprises, Vietor was fortunate to interact with a range of technologies and tools that enabled content experimentation and allowed her to become increasingly data-centric in her approach. With a personalized, data-driven dashboard for each employee, gamified learning experiences, video library, and 24/7 AI-supported virtual coaching, this platform is about more than just learning. It's also about engagement and growth.

For generations, Ford's dealer network has been a trusted source for customers. Ford University aims to raise the bar even higher by providing dealership employees with more knowledge and skills so that each dealership visit can become more valuable for their customers. Vietor is thrilled about the impact this will have. "It's a win-win for all."

Abby Vietor
Global Director of Dealer Training & Productivity, Head of Ford University

Stellantis signals more job cuts are ahead

After recent buyout offers and layoffs, the company plans for more head count reductions by year end

Tavares: "Do we have limits?"

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The industry's shift toward electric vehicles has sparked a global cost-cutting crusade at Stellantis, which is shrinking its North American workforce, offshoring some engineering work and consolidating its lineup onto a small number of versatile platforms that can support multiple body styles and powertrains.

CEO Carlos Tavares' quest for greater efficiency already has led to buyout offers and terminations of salaried and hourly employees in recent months, and CFO Natalie Knight this month said $200 million more in head count reductions are planned by year end. Tavares also said at least two U.S. plants "need a significant turnaround," which could mean more job cuts.

When PSA Group and Fiat Chrysler Automobiles agreed to merge in December 2019, the companies said their tie-up would produce around $4 billion in synergies through optimized investments in platforms, engine families and new technologies while leveraging increased scale on the purchasing side.

That number has since risen to $9 billion amid the company's ongoing mission to streamline operations as its EV transition has progressed. Tavares has cited the specter of China-made EVs making inroads around the world as being among the reasons Stellantis needs to become more efficient.

Tavares said the company has to be "totally cost competitive at the highest level" and that "without cost competitiveness, we will

see **STELLANTIS,** Page **36**

Incentives drive big gains in April EV registrations

Rivian, legacy automakers gobble up share as Tesla numbers extend slide

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U.S. electric vehicle registrations rose 14 percent in April after a lackluster first quarter, thanks to automaker incentives in excess of $10,000 on some models. But Tesla's numbers continued to fall sharply, and its share of the EV segment dropped below 50 percent, according to new-vehicle data from S&P Global Mobility.

Overall, new EV registrations totaled 102,317 in April, the most recent month for which data is available. EVs grabbed a 7.4 percent share of total light-vehicle registrations, regardless of fuel type, which reached nearly 1.4 million, S&P Global Mobility said. The double-digit increase for EVs outpaced the 7.3 percent gain in the overall light-vehicle market.

The EV data is only for the registration of new battery-electric vehicles and does not include hybrids.

Analysts said the uptick in EV registrations shows consumers are still interested in the segment despite a recent lull. The growth is being driven by

see **APRIL,** Page **35**

Top 10 EV brand registrations

Here are the top 10 electric vehicle brands by registrations as well as their share of total new EV registrations this year through April.

	EV REGISTRATIONS	SHARE OF EV TOTAL
Tesla	183,278	46.3%
Ford	29,816	8.1%
Hyundai	20,009	5.5%
Kia	16,579	4.5%
BMW	15,791	4.3%
Rivian	15,045	4.1%
Mercedes-Benz	12,786	3.5%
Chevrolet	12,026	3.3%
Volkswagen	8,457	2.3%
Cadillac	7,819	2.1%

Source: S&P Global Mobility

BMW's top-selling X3 gets bold redesign

Electrification adds options to expand crossover's appeal

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BMW's big-selling X3 crossover has received a beefy redesign and an electrified powertrain.

The 2025 BMW X3 starts at $50,675 including shipping. Deliveries of the U.S.-made crossover begin in the fourth quarter.

BMW will offer multiple versions of the upcoming X3 globally, including an all-electric, a plug-in hybrid and an M performance variant.

Launched about two decades ago and last redesigned in late 2017, the X3 is BMW's bestselling model. The compact premium crossover accounted for 20 percent of the brand's first-quarter U.S. sales.

While the 3 Series was seen as the quintessential sport sedan and entry point for BMW buyers, the X3 has morphed into the new entry point for the brand, Edmunds analyst Ivan Drury said.

"The X3's catchall sizing makes it suitable for almost any household and its 2024 average transaction price of $54,465 is competitive," Drury said.

More power, less emissions

The fourth-generation X3 will launch with two gasoline-powered variants that feature 48-volt mild-hybrid technology.

The BMW X3 30 xDrive is powered by a 2-liter TwinPower Turbo four-cylinder that generates 255 hp. Its 0-to-60 mph time is six seconds.

The performance BMW X3 M50 xDrive has a 3-liter TwinPower Turbo six-cylinder engine that, combined with the mild-hybrid system, delivers 393 hp and a 0-to-60 mph time of 4.4. seconds.

The engine features redesigned intake ports and combustion chambers and tweaks to the injection system, ignition system and exhaust gas routing.

see **BMW,** Page **29**

The 2025 X3 has a digital upgrade and flat-bottomed steering wheel inside, a sportier silhouette outside and BMW's more prominent signature kidney grille.

BMW

Changes floated by Hyundai may hurt dealers

New service agreements raise issues for retailers

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Hyundai Motor America is taking a blanket approach to amend its sales and service agreements with its dealership network, but certain changes could be illegal in some states.

The National Automobile Dealers Association alerted Hyundai dealers in June about three addendums that will enforce deadlines on facility renovations, restrict store ownership restructuring and block dealership sales.

Here's a closer look at what these addendums mean and the consequences for not complying.

1. Facility renovation deadlines

Hyundai wants to make complying with its dealership image program mandatory. Facility renovation is an especially sticky topic since retailers often spend millions of dollars bringing their dealerships in alignment with current program standards.

Twenty-nine states have time limits on substantial facility alterations, and 11 address facility upgrades and require manufacturers to provide reasonable justification for new modifications.

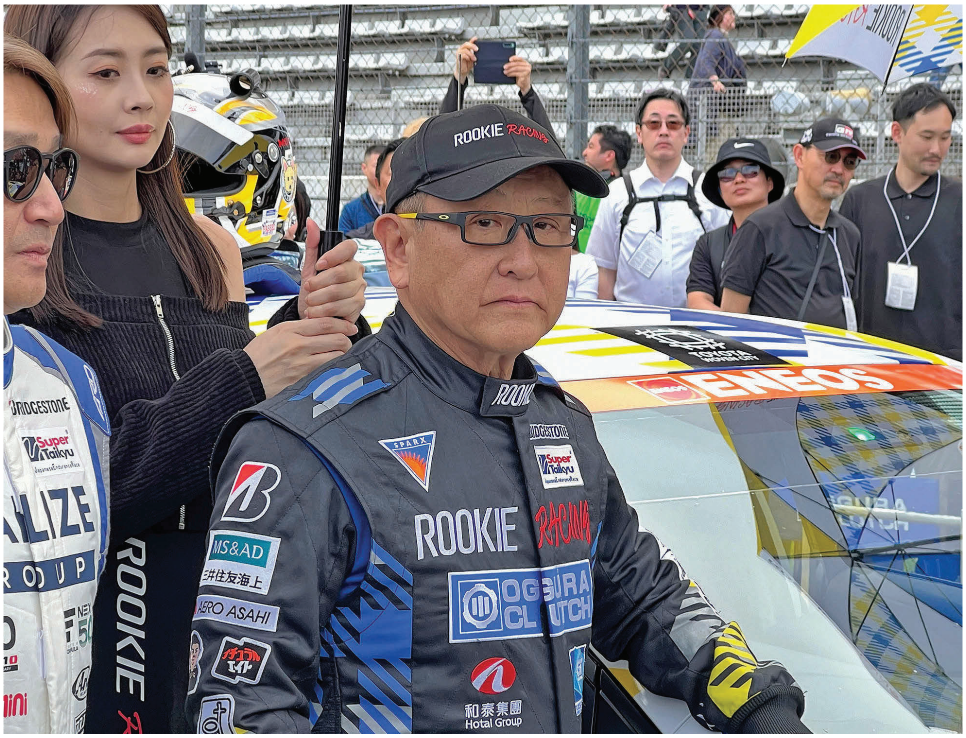
"In the case of Hyundai, it's always maintained that its facility requirements are voluntary, and incentive money will be tied to it," Russell McRory, an attorney with ArentFox Schiff who specializes in franchise law, told Automotive News.

"Now Hyundai wants to make these facility requirements part and parcel of the dealer agreement, and if [dealers] don't do it, they're under threat of termination," McRory said.

Moving from an initiative that offers financial incentive to something that puts the whole franchise

see **HYUNDAI,** Page **34**

Wake-up call for Toyota, chairman



HANS GREIMEL

Support for Toyota Chairman Akio Toyoda, shown at a 24-hour endurance race in May, slipped to its lowest rating since 2010 at this month's shareholders meeting. "Is the internal control and government not functioning?" one shareholder asked.

Toyoda's support drops amid testing misconduct, management concerns

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TOKYO — Shareholder approval of Akio Toyoda tumbled to a record low of 72 percent, amid investor discontent about a safety and vehicle certification scandal at Toyota Motor Corp. and questions about corporate governance under his longtime leadership.

The Japanese carmaker said it considers the falling support "candid feedback" that reflects concern, especially among institutional investors, about the misconduct and governance issues.

The world's largest automaker said it will work to address the shareholder response.

The vote, held June 18 at the company's annual general shareholders meeting in Toyota City, can be seen as an embarrassing wake-up call about management and strategy.

It comes even as Toyota finished a fiscal year of record profits, sales and production that pushed the company's share price to new highs this year before the scandal broke.

Despite the investor blowback, shareholders seated the full board nominated by Toyota management. That roster includes the reappointment of Toyoda, despite his apparent sinking popularity, to a second year as chairman of the company founded by his grandfather.

Toyoda, 68, stepped down as president last year after 14 years at the helm.

Record low

Toyoda's approval rate dropped to 71.9 percent, the company said June 19 while releasing detailed results of the vote. It was Toyoda's lowest support rate since 2010, when the company began disclosing such details. It also marked a steady decline from the 97.7 percent approval Toyoda enjoyed in 2021, the 96.5 percent in 2022 and the 84.6 percent last year.

In a response to the 2024 shareholder vote, Toyota suggested the results reflected discontent with the company as a whole, not its chairman as an individual.

"We perceive the approval rates at this year's shareholders'

see **TOYODA,** Page **29**

Hyundai, Amazon amp up pilot, ready launch

Automaker opening program to all of its dealers

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Hyundai Motor America wants more dealers to join its Amazon retail program as it readies for the consumer launch later this year.

Randy Parker, the automaker's U.S. CEO, held calls with dealers this month about the progress of the program it is developing with the retail giant to allow shoppers to buy a Hyundai online.

In a follow-up dealer email obtained by Automotive News, Hyundai offered interested dealers, or "hand raisers," the opportunity to sign up via an online portal.

The email, signed by Parker, noted that opting in was not a commitment, only an opportunity to "learn more about the program and be added to [Amazon's] onboarding queue."

Hyundai is touting several benefits of signing up to sell on Amazon, including its connection to "millions of shoppers," a "high level of trust," the potential "access to incremental sales," being an "exclusive launch partner" and boosting the dealership brand as "innovative and customer focused."

But the email identified one condition with the opportunity. It said, "Amazon has limited onboarding capacity, and they may not be able to onboard every dealer right away."

Though all dealers are invited to express interest, it is unclear how Hyundai and Amazon will determine who goes to the top of the list.

Andy Wright, chairman of the Hyundai National Dealer Council and managing partner of Vinart Dealerships, told Automotive News that asking dealers to sign up will help the automaker "gauge overall interest" from the broader dealer body.

Wright said the pilot period, which is still underway, is helping all parties learn "how to make the process better and more comprehensive."

see **AMAZON,** Page **34**

Quality concerns, cash burn fuel Fisker spiral

Startup files for Chapter 11 after issues plague Ocean

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Electric vehicle startup Fisker filed for bankruptcy protection June 17 after months of quality issues with its Ocean crossover, a failed attempt to partner with a major automaker and hundreds of millions of dollars in losses.

"Like other companies in the electric vehicle industry, we have faced various market and macroeconomic headwinds that have impacted our ability to operate efficiently," Fisker said in a statement. "After evaluating all options for our business, we determined that proceeding with a sale of our assets under Chapter 11 is the most viable path forward for the company."

Fisker Group Inc., the operating subsidiary of Fisker Inc., estimated its assets in the range of $500 million to $1 billion and liabilities in the range of $100 million to $500 million.

Fisker has a dozen U.S. franchised dealers, according to its website.

The automaker also said that it was proud of its achievements. "Fisker has made incredible progress since our founding, bringing the Ocean SUV to market twice as fast as expected in the auto industry and making good on our promises to deliver the most sustainable vehicle in the world," Fisker said.

The company said it will take the customary motions with the bankruptcy court to ensure that its reduced operations are able to continue, including paying its employees, preserving certain customer programs and compensating some vendors. Fisker said that its previous manufacturing pause will remain in place.

The automaker warned in February of substantial doubt about its ability to continue as a going concern after reporting a fourth-quarter net loss of $463 million and announcing layoffs.

As part of the February earnings report, CEO Henrik Fisker said the startup was negotiating with an unnamed large automaker on a strategic

see **FISKER,** Page **33**

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Ford floorplan aid designed to turn inventory, profits

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Ford Motor Co. is updating its dealership floorplan assistance program for the first time in more than two years, with new rules that could financially benefit retailers and encourage them to turn inventory faster.

Starting July 1, Ford will give dealers an upfront credit worth 1 percent of the sticker price on most retail vehicles. The current program, in place since April 2022, reimburses floorplan interest charges based on how many days a vehicle stays in dealer stock, up to a maximum of 75.

That program was enacted during an industrywide inventory shortage, when dealers often sold vehicles within a few days, resulting in credits worth only a small amount. Now, dealers will be paid a set amount no matter how quickly they sell a vehicle, potentially making those credits profitable if they keep inventory moving.

"This is really going to give our dealers greater flexibility in how they use those credits and their floorplan assistance for them to move their vehicles quicker," Andrew Frick, president of Ford Blue, the company's gasoline and hybrid vehicle business unit, told Automotive News. "This was one of their key requests."

Eddie Hall III, a member of Ford's National Dealer Council and COO of Hall Automotive Group, which operates three Ford stores in Michigan, said he liked the change and was pleased that the automaker listened to its retail network.

"I'm supportive of going back to a percentage based floorplan assistance program because it will give dealers an opportunity to earn credits if they turn their inventory quickly and because the percentage becomes more and more meaningful if/when interest rates begin to fall," he said in a text message.

Higher interest rates and rising inventory have turned floorplanning from an ancillary source of profits into a cost for dealers in recent years. The program changes could help keep Ford's inventory in check by encouraging dealers to move metal quickly.

According to Cox Automotive, the industry had a 74-day supply of new vehicles at the start of June, with total inventory around 2.9 million. Roughly seven brands, including Ford and Lincoln, had more than 100 days' supply, Cox said.

Ford CFO John Lawler has said the automaker continues to aim for dealers to carry 50 to 60 days' supply and that rising inventory across the industry "worries" him.

"I think we're at a point as an industry where we need to be very thoughtful about how we proceed from here and watch our production relative to supply very closely," Lawler said June 11 at the Deutsche Bank 2024 Global Auto Industry Conference.

DAVID PHILLIPS

Ford will give dealers an upfront credit worth 1 percent of the sticker price — a set amount no matter how quickly they sell the vehicle.

"I think we're not just opening a new chapter for Tesla, we're starting a new book," Musk told Tesla shareholders. He predicted Tesla's market valuation will grow to more than $5 trillion by 2029 and said the Cybertruck, below, had achieved record weekly production.

REUTERS

Musk full of surprises for Tesla shareholders

CEO talks robotaxis, Optimus, Cybertruck

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In the run-up to Tesla's June 13 shareholders meeting, analysts worried whether stockholders would ratify CEO Elon Musk's $56 billion compensation plan.

Without that vote of confidence, they warned, Musk could spend less time focused on the automaker and more time on his other business ventures.

The shareholder vote in favor of the stock-based pay was not unexpected, but the overwhelming margin was. Tesla said the proposal received 77 percent approval. Shareholders had originally granted the compensation in 2018, but a Delaware judge voided the pay package in January, saying the award process lacked transparency.

There were more surprises at the meeting, as a jubilant Musk outlined plans for Tesla to grow its market value tenfold through future autonomous vehicles. And to grow its valuation even higher through the development of its Optimus humanoid robot that could sell, eventually, in the billions.

"I think we're not just opening a new chapter for Tesla, we're starting a new book," Musk told Tesla fans at the event. "Where things are going, I think, is just going to be absolutely mind-blowing."

Musk also took questions from the shareholder audience, revealing details about the Cybertruck's production ramp-up and his phone calls with former President Donald Trump.

Robotaxis

Tesla has not yet built an AV. But Musk told shareholders gathered at Tesla's Austin, Texas, factory that its unfinished Full Self-Driving software, combined with vehicle hardware, will create a robotaxi fleet made up of Tesla-owned cars and customer-owned cars that can be loaned to the taxi network for a

see **TESLA,** Page **29**

BLOOMBERG

No CarPlay, no deal for about a third of buyers

McKinsey poll finds automakers seem to be losing battle for dashboard

Pete Bigelow and Molly Boigon
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Automakers reject Apple CarPlay and Android Auto at their peril. Roughly a third of consumers refuse to buy a car that lacks smartphone integration, according to a McKinsey & Co. consumer survey.

Thirty percent of global electric vehicle buyers and 35 percent of global internal combustion engine car buyers said a lack of support for smartphone integration is a deal-breaker. That figure may have big implications for General Motors, which said in December it is phasing out such integrations in future EVs.

In the U.S., consumers are similarly rigid — 25 percent of EV buyers and 38 percent of gasoline-powered vehicle buyers would not purchase cars without smartphone mirroring.

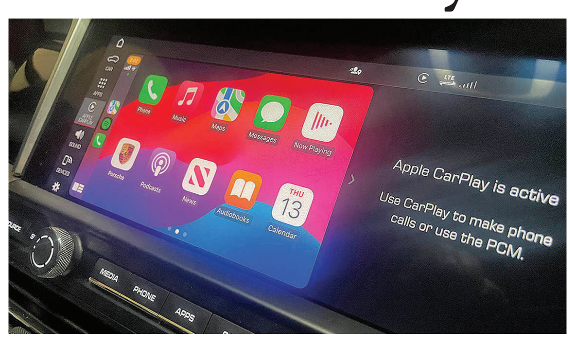
"If an OEM moves away from seamless smartphone integration, obviously that's a risk," said Kevin Laczkowski, global co-lead of McKinsey's automotive and assembly practice.

There is a bit of nuance in the survey results — some drivers would be willing to pay for smartphone integration, including 17 percent of gasoline-powered vehicle buyers and nearly 30 percent of EV buyers.

Apple CarPlay and Android Auto mirror the mobile phone interface on infotainment screens, and the services are popular. Both saw installation rates above 90 percent in a midyear survey of 2023 model year vehicles by Wards Intelligence.

Those displays have become an infotainment battleground — automakers are leery of ceding more of the

see **CARPLAY,** Page **29**



JERRY HIRSCH

Porsche will feature the new version of CarPlay in some upcoming models.

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Grenadier Quartermaster: 6 notable things

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JOSHUA TREE, Calif. — For Ineos Automotive's second nameplate, the upstart British brand has developed a pickup but in such a way that doesn't stray far from its first vehicle — the rugged, body-on-frame Grenadier SUV.

The Grenadier Quartermaster pickup's design largely mirrors that of the SUV. It has the same 3.0-liter BMW straight-six gasoline engine and ZF eight-speed automatic transmission, and can also tow just over 7,700 pounds.

But Ineos also gave the five-seat Quartermaster unique touches, aiming to differentiate the truck in a hotly contested pickup market. Quartermaster pricing starts at $88,500 including shipping for the standard trim. U.S. deliveries are to begin by year end.

Here are six notable things about the Grenadier Quartermaster found during its media launch.

JACK WALSWORTH PHOTOS

1. Longer wheelbase

While the Quartermaster shares the same ladder-frame chassis of the Grenadier and ground clearance of 10.4 inches, Ineos stretched the Quartermaster wheelbase by 12 inches to 127 inches. The Quartermaster's length is 212.6 inches, up from the Grenadier's 191.2 inches, which includes the mounted spare tire.

2. Space for spares and gear

The Quartermaster's bed has cubbies on both sides with room to securely house spare tires. The bed is 61.5 inches long and 63.7 inches wide, roomy enough for a standard pallet, Ineos said. There are four tie-down rings and the 51.3-inch tailgate can hold up to 500 pounds when open.

3. Elevation tracker

Ineos, in a nod to hikers and outdoor enthusiasts, has outfitted its vehicles with altimeters, which are accessed via the infotainment screen. Customers can also select an option for an easy-to-read compass in the center stack that provides elevation and temperature.

4. A horn to alert bicyclists

The Quartermaster and Grenadier have two horns. One is the typical horn at the center of the steering wheel. The other is a gentler and intended to alert bicyclists that a vehicle is approaching. Drivers activate it by pressing a red circular button with a bicycle illustration labeled "toot" near the audio controls on the steering wheel. Ineos Automotive is a division of petrochemicals giant Ineos, which has long championed cycling and sponsors a team that competes under the Ineos Grenadiers name.

5. Buttons, switches, knobs galore

As the industry grapples with the right balance of physical and digital controls, it's a nearly all-analog experience in the Quartermaster. There are over two dozen buttons and switches on the center stack and headliner. And there is a turn-key ignition and a transfer case shifter.

6. Made in France

Ineos manufactures the Quartermaster alongside the Grenadier SUV at an assembly plant in Hambach, France. Ineos bought the facility, in northeast France near the German border, from Mercedes-Benz in 2020. It began life as a factory for Smart minicars in 1997. Ineos built the Smart ForTwo, as well as components for Mercedes-Benz models, under contract following the acquisition. Ineos places a "Built in Hambach" decal, along with the colors of the French flag, on the rear window of the Quartermaster and left side window of the Grenadier to signal their French roots.

JAGUAR LAND ROVER

Jaguar Land Rover is set to revive its Freelander as an EV built in China.

Freelander to return electrified

Jaguar Land Rover plans to revive the Freelander SUV as an electric vehicle that will be produced in China through a joint venture with Chery Holdings.

The Freelander will be engineered and developed on Chery's electric vehicle architecture.

Under a letter of intent signed with Chery Automobile, the Freelander will be designed by both Chery and Jaguar Land Rover creative teams, Jaguar Land Rover said June 19.

The EVs will be produced at Chery Jaguar Land Rover, a joint venture in the eastern China city of Changshu.

The Freelander EV will be initially sold in China through a separate distribution network and later exported globally, Jaguar Land Rover said.

Jaguar Land Rover ended Freelander output in 2015 and replaced it with the Discovery Sport. In the U.S., the LR2 replaced the Freelander in 2008.

In 2023, Jaguar Land Rover's China sales rose 25 percent to 106,377.

— Yang Jian

VOLVO

Volvo S60 Recharge T8

Volvo ends S60 sedan in the U.S.

Volvo Cars is shrinking its sedan lineup in America.

The Swedish automaker will end U.S. production of the S60 compact sedan — the brand's entry model — at the end of the month.

The S60 was Volvo's first and until recently only U.S.-manufactured vehicle. S60 output began at the $1.1 billion factory near Charleston, S.C., in 2018.

The move comes as Volvo pivots to an all-electric brand globally and launches U.S. production of the EX90 large electric SUV.

Dwindling demand for sedans in the U.S. shortened the S60's life here. Volvo sold just 10,357 last year.

A battery-powered replacement of the S60 goes into production in Daqing, China, in 2025 but is not expected to be sold in the U.S., according to AutoForecast Solutions.

The V60 received a new front grille design and tweaked rear bumper inserts as part of a freshening for the 2023 model year.

— Urvaksh Karkaria

Hemi-powered Wrangler back for '25

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The Jeep Wrangler 392 and its V-8 Hemi engine are coming back for the 2025 model year.

The Stellantis light-truck brand said in March that it was bidding farewell to V-8 Wranglers with the six-figure 2024 Final Edition model, but it has since decided demand was too great to let it go. The 2025 model will be called the Final Edition as well.

Jeep said in March that it was bidding farewell to V-8 Wranglers, but the 392 Final Edition has been granted a reprieve.

STELLANTIS

"When news broke ... that Jeep Wrangler 392 was roaring off into the sunset, the comments, coverage and conversation showed us that the Jeep community isn't quite ready to say goodbye to the V-8-powered Wrangler," Bill Peffer, the head of Jeep in North America, said in a statement. "Jeep brand listened and will continue the 392 Final Edition into the 2025 model year."

The reprieve is reminiscent of Stellantis' decision to extend the Dodge Durango Hellcat beyond the single model year it said the high-powered SUV would be produced. Durango Hellcat buyers sued the automaker, accusing it of tricking them and arguing they either would have paid less or not bought the vehicle at all if they had known it wasn't their only chance.

Pricing for the 2025 Wrangler 392 wasn't released. The 2024 version is $101,890 with shipping.

Production begins in the first quarter of 2025, Jeep said, with orders opening later in 2024.

The Wrangler 392's 6.4-liter V-8 delivers 470 hp and 470 pound-feet of torque. It can go from 0 to 60 mph in 4.5 seconds.

Stellantis has been steadily phasing out V-8 offerings across its portfolio as it prepares to release more than 25 electric vehicles in the U.S. by 2030.

It has dropped V-8s from the freshened 2025 Ram 1500, the Jeep Wagoneer and Grand Wagoneer line of premium SUVs and the two-row Jeep Grand Cherokee. The next-generation Dodge Charger won't have a V-8 option either.

shift MOBILITY REPORT

BY THE NUMBERS

$850 million

The amount electric vehicle buyers have saved so far this year because of the EV tax credit, the White House said June 5. Buyers can qualify for a credit of up to $7,500.

At CES this year, Elektrobit showcased its 360-degree offering for software-defined vehicle enablement — from automotive architecture and virtual development solutions to leading-edge digital cockpits.

ELEKTROBIT

So where is this car 'of the future'?

Huge changes to supply chains, platforms needed before software-defined vehicles become reality

Molly Boigon
molly.boigon@crain.com

Intel has called it "the vehicle of the future." Linux Foundation says it represents "the critical driver of the automotive industry in the next decade." Morgan Stanley predicted this year it could "dominate the auto market by 2040."

The software-defined vehicle has become the industry's trendiest topic. The phrase describes a vehicle with easily updatable computer programs underlying its capabilities — meaning new and improved functions can be delivered to occupants almost instantly.

While software-defined vehicles indeed have transformative potential, industry analysts and software companies agree none are yet on the road. Their development requires huge changes to supply chains and vehicle architecture, and paradigm shifts about where computing actually happens.

"It's a concept more than reality," said Ben Ellencweig, a senior partner at consulting firm McKinsey & Co. "It's going to be a gradual move" to software-defined vehicles, though the transition is already starting.

Historically, vehicle functions were governed by hardware and mechanics, rather than software and computers. Think, for example, of crank windows instead of button-operated motorized windows.

Early electronic control units in the 1970s governed the timing of the electronic spark for the engine. Since then, the number of features in vehicles that are enabled by software has ballooned.

What automakers and software developers want is a vehicle that can introduce new software innovations years after the car has exited the factory. The closest autos in the U.S. market to software-defined vehicles are Teslas, said Moritz Neukirchner, a senior director at Elektrobit, an automotive software company.

That's because the company can issue software updates over the air. Still, Teslas are not truly software defined. Other companies cannot design programs for Teslas, which Neukirchner said is a hallmark of software-defined vehicles. "They don't open up an ecosystem, so they are currently not capable of getting external innovation," he said.

Other automakers are setting the stage for a software ecosystem. General Motors, working with Magna and Wipro, in March announced a

see SOFTWARE, next page

Industry must summon 'courage' in its shift to software-defined vehicles

Exec: Carmakers have to break some rules

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The industry's transition to software-defined vehicles offers up many hurdles and will require "courage," according to a top Qualcomm executive speaking at an automotive-focused Reuters conference last month in Munich.

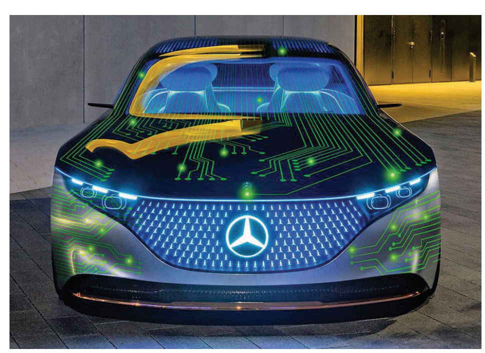
While automakers are good at managing complexity, they need to break some rules and change processes to adapt to the radically new landscape of software-defined vehicles, said Alejandro Vukotich, vice president of product management at Qualcomm.

It is also important to collaborate with the best technology partners, such as Microsoft or ChatGPT creator Open AI, to be able to offer the best technology experience, Carolin Strauss, head of strategy at Mercedes-Benz, said.

The transition to software-defined vehicles is now inevitable for automakers, Celine Laurent-Winter, vice president of connected vehicle platforms at BMW, said. "I am absolutely convinced that establishing a high-performance software culture within an automotive group is the only way forward," she said.

BMW Group has been able to avoid the launch-delaying software stumbles that have stung rivals such as Volkswagen Group's Audi brand and Volvo Cars because it has handled software in-house for a

see QUALCOMM, next page



MERCEDES-BENZ

Mercedes-Benz and Nvidia are collaborating on a software-defined architecture for the automaker's next-generation fleet.

SOFTWARE

continued from previous page

"matchmaking" platform for buyers and sellers of automotive software called SDVerse.

Currently, clusters of vehicle operations are governed by specific hardware and software.

Hardware and software control vehicle operations through layers of IT infrastructure. The pile of software layers is called a software stack. The underlying hardware for a software stack is usually a silicon chip. On top of the chip is a first layer of software called firmware. The rest of the stack includes layers like operating systems and databases. At the top of the stack is a vehicle application, and all of the layers of software beneath it enable that application.

Modern vehicle architecture has too much unique hardware and too many task-specific software stacks to support truly software-defined vehicles at this point. The hardware and software are designed for certain vehicle functions and are not sufficiently flexible.

Specialized logic

Software-defined vehicles will have a fundamentally different underlying electronics and software architecture — there will be fewer pieces of hardware, and each one will support more functions. Vehicle capabilities will be enabled by applications, so when developers want to bring in new functions, they can just add or swap out applications rather than substantially changing the underlying hardware and base software layers.

"The goal is to minimize" the number of unique electronic components "as much as possible and make them as simple as possible," said Alex Oyler, director of SBD Automotive, North America. "All of the specialized logic — that's in those applications and the software-defined vehicle environment."

This architecture enables easy and fast changes to vehicle functionality. But the changes required to get there are neither easy nor fast.

Building truly software-defined vehicles requires shifts to the industry supply chain. Automakers need fewer and fewer electronic control units, but the hardware must have more computing power.

Rivian, for example, just announced it has reduced the number of electronic control units in its second-generation vehicles to seven. Its first-generation vehicles had 17. Some luxury vehicles have 90 or more, Oyler said.

Tier 1 suppliers and developers for the hardware and firmware, as well as the middle of the stack, called middleware, must build software that is sufficiently transparent. The more transparent lower software layers have to support a commercial ecosystem of new programs at the top of the stack while keeping safety-critical operations secure. That software also has to be flexible enough to enable different functions.

Preparations

Automakers must decouple the life cycle of vehicle software for applications from the underlying hardware, and invest more in software maintenance and support.

"You also need to be organizationally prepared to roll out new software," said Neukirchner. That involves thinking through business models to ultimately make a profit on software investments.

Some of the computing that happens in the car needs to move to a network edge or to the cloud to further reduce the amount of hardware. Software-defined vehicles will have "some algorithms in the car that collect certain types of data, maybe do some very basic analysis on it and then send that up to the cloud to do some work rather than doing all that work" in the car itself, said Oyler.

The benefits are numerous. Long term, automakers will be able to reduce the costs of electronic control units and use more generalized software for some parts of the stack, like operating systems. It also means "having a car that's more updated and more responsive to both business and consumer needs," Oyler said.

QUALCOMM

continued from previous page

decade, the automaker's connected car chief, Stephan Durach, told Automotive News Europe separately.

Laurent-Winter said it is important for BMW employees to feel supported to gain the necessary competencies and for change to internal structures to take place. Inevitably, this will require "hard work," she said.

For the customer, the software-defined vehicle will provide multiple benefits, including flexibility, upgradability and increased reliability, industry executives said. In essence, the vehicle improves over its lifetime.

"The car that you buy is not the car that you are going to have three years later," Allen Chen, senior director of automotive at Monolithic Power Systems, said at the conference.

What's more, the move to offering cars with Level 4 and Level 5 autonomy, "flips the vehicle usage model on its head," because those vehicles will be able to drive themselves in most instances.

The most important part of the software experience is how it affects the daily life of the customer, said Maria Uvarova, senior vice president of software product management at Stellantis. She sees a threefold vision for software-defined vehicles — to make driving safer, to make it more exciting and to make it more convenient.

To achieve this, an increasing percentage of revenue will need to be plowed into developing certain software features. The aim of those features will be to get customers to pay extra to get them. These include a premium video and audio experience.

BMW's Durach said that customers worldwide are not only "getting more accustomed to this, they love it."

Nevertheless, Uvarova said it's important not to force this change on customers. "It is something we need to carefully observe and work together to understand this shift in customer behavior," she said.

To change their ways of working, automakers need to accelerate the speed of development to match rapid development cycles. For instance, Chinese automakers are asking suppliers to develop products for a new car in 12 to 18 months rather than three to four years, Marelli's chief technology and innovation officer, Joachim Fetzer, told Automotive News Europe separately.

And that, said Stellantis' Uvarova, is "not something that will happen overnight."

opinion

We invite letters from readers. Please limit your letter to 250 words and tell us whether we may print it. We reserve the right to edit it. Include your name, title, company's name, city and state. Tell us what your connection to the auto industry is. Email letters to autonews@crain.com.

Navigating stormy EV transition will take cooperation

Connect the dots through recent Automotive News stories and you'll find an industry in turbulence. Dealers are feeling the whiplash.

A sampling of dealers' latest concerns: abrupt executive departures, moving targets from electric vehicles to hybrids, election uncertainty and softening EV demand.

The push for electrification means the industry is changing faster than ever. Automakers need to react, but they must take dealers with them. Dealers are on the frontlines, with EV sales and service in their hands.

Dealers have learned of an exodus of respected brand leaders at Stellantis. The departures are alarming, especially after the automaker reported its fifth consecutive year of lower U.S. sales in 2023 amid the expensive shift to EVs.

Stellantis isn't the only automaker rattling its retailers. Others have deemphasized EV plans in favor of hybrids. That's after they asked dealers to invest hefty sums to sell and service EVs. Now many of those vehicles linger on dealer lots.

Take Ford. Its initial EV program, which launched two years ago, was for a limited group of dealers. Ford asked them to invest as much as $1.2 million to prepare for EVs, though executives said the actual costs were lower. This month, Ford reversed course and opened EV sales to its entire retail network. Meanwhile, the automaker said it will have a hybrid variant for every gasoline-powered vehicle through 2030.

Washington worries are also complicating the EV push. While more than half of dealers surveyed by Cox Automotive from April 23 to May 7 said the economy is holding back their business, 40 percent-plus said the political climate — likely the upcoming election — is a hindrance. Dealers said the tax credits were a major boost to EV sales. Should federal incentives end under a new presidential administration, EVs will become an even tougher sell.

And many of today's EV buyers may not be EV lifers after all. More than 40 percent of EV owners in the U.S. said they would buy a gasoline-powered vehicle next time, according to a survey by McKinsey. The survey could preview what's to come if charging infrastructure and battery technology fail to advance quickly enough and if EV prices don't come down.

The tried-and-true remedy for this industry's frequent bouts of turbulence is better automaker-dealer relations. Honest, open dialogue and transparency between partners can help quell even the harshest of environments.

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COMMENT

EV buyers' remorse is a telling moment in economic history

For anyone fed up with the hype over electric vehicles, our report last week about McKinsey's survey that found more than 4 in 10 U.S. EV owners said they want to buy a gasoline-burning vehicle next, it was a moment to be celebrated.

Here it was at last: Objective evidence of consumer rejection of EVs.

I hear you: Dealers and automaker executives are justified in being wary of absorbing significant losses while the battery and vehicle technology — and supporting infrastructure — mature.

The McKinsey survey is a legitimate data point. It just isn't the entirety of the story. These results — which are so contrary to previous surveys and studies — will probably prove to be a statistical blip in the long run.

JAMIE **BUTTERS**
EXECUTIVE EDITOR

Yes, there are concerns with the current charging infrastructure and the annoyances of EV life, like watching your range estimate drop when you turn on the air conditioning.

But the biggest shock to the EV owners of America has been the plummeting value of the asset charging in their garage. Tesla's move last year to slash prices on the Model Y and Model 3 sent ripples into the industry far beyond repositioning the EV brand into mainstream prices.

Those two models dominate the U.S. EV market. In the first four months of last year, they accounted for about 55 percent of new EV registrations in the U.S. So when the price of new Ys and 3s plunged, so did the value of used Ys and 3s — and every other EV on the road.

American consumers know they're going to get hit with significant depreciation when they drive off the lot. But EV owners were blindsided by a second big drop in value. Unless they signed a lease before residual values started falling, they know that their resale value dropped and their total cost of ownership jumped.

Does that create consumer dissatisfaction? You bet it does. Is that experience going to be repeated? No way.

Tesla's pivot

Mathematically, it's basically impossible. Lopping another $15,000 or $20,000 off the Model 3 would evaporate even Tesla's rich margins.

Elon Musk, in the past, pointed to a low-priced EV that was in development as the product that would drive 50 percent growth up to 20 million vehicle sales per year. More recently, Musk has de-prioritized that vision in favor of the more spectacularly disruptive — culturally and economically — opportunities of self-driving cars and humanoid robots. Autonomous driving technology should make Tesla worth $5 billion in this decade, he told shareholders. And the Optimus robot business, he suggested, could produce $1 trillion a year in profits. Yes, trillion.

I have to give him this: He always said Tesla was a technology company, not an automaker. He may just not be interested in trying to beat the Chinese on cost to grind out profits. But the companies that do see themselves as automakers sure seem very focused on the mission.

The latest stake in the ground is Jeep CEO Antonio Filosa announcing at the Stellantis investor day plans to price an electric Renegade at $25,000. Stellantis already offers a low-cost EV in Europe, and CEO Carlos Tavares has been adamant the company must be able to build a profitable, affordable vehicle that can compete with China's best without reliance on governments. That's a tall order for his team, and for Stellantis' suppliers and retailers.

The company, which also has a stake in Chinese automaker Leapmotor, is far from alone in its product pursuit. Ford has pivoted its EV development efforts from large vehicles toward a smaller, affordable model that can deliver profits. General Motors is working to bring back the Chevy Bolt as "the most affordable vehicle on the market by 2025," according to North America President Marissa West. Sibling rivals Hyundai and Kia are each working on lower-priced EVs, expected to be revealed before long.

Japanese automakers have been more cautious for the most part about setting EV expectations. They appear to be focused on solid-state battery technology, seeing that as the path that must be cleared to achieve an economically viable EV. Toyota and Nissan have indicated plans to begin industrial-scale production in this decade.

The thing is, none of these models are going to show up tomorrow and change the world as we know it. Even that affordable electric Jeep is planned for "around 2027" — on the tail end of the decade.

Long game

The auto industry is a long, slow game. It's more like baseball or cricket than pickleball or pinball. We're only in the middle innings of the first game of a series. The disappointment of recent EV buyers is the unfortunate fourth-inning homer. It doesn't mean you have to yank your starter or head for the parking lot.

At the end of this game played in the 2020s, the U.S. market may be 50 or 20 percent electric. But from products to prices to the charging network, it's going to look a lot different from how it does today.

You may email Jamie Butters at jbutters@crain.com.

LETTERS

Auto execs push EVs like politicians do

TO THE EDITOR:

Although I've been retired for more than a decade, it's nice to know that my career in the automotive business and manufacturing gave me insight that hasn't failed me. Proof of that is the current state of affairs in the automotive retail industry. A few years ago, when I saw the vast majority of the industry gladly abandoning the internal combustion engine in favor of EVs, I was shocked because I couldn't believe the industry had sunk so low with regard to overall leadership. A whole industry of virtue-signaling, greedy lemmings running toward a cliff, led by even more virtue-signaling, greedy know-nothing politicians. Is it really surprising that it blew up in their faces like one of Wile E. Coyote's Acme rockets? It sure wasn't to me. There was no realistic plan for charging infrastructure. Automakers were going after high-end buyers, which severely limited sales potential. Vehicles designed to prioritize acceleration over efficiency meant high prices and low range. And then the whole notion that EVs are so clean and green! Ha!

Lessons to be learned from all this? Politicians are greedy and generally know nothing about the industries they try to control. Most industry leaders aren't much better.

KEVIN DONOVAN
Owner
KD Creations
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KD Creations makes automotive-themed products.

McKinsey survey results raise questions

TO THE EDITOR:

Regarding "More than 40% of U.S. EV buyers want to go back to combustion engine cars, McKinsey study says," June 12, autonews.com: This article was interesting and triggered a few questions as it builds to what Ipsos has observed recently in the U.S. market.

I was surprised that more than 40 percent of current electric vehicle owners would go back to combustion engine vehicles. I think this could be misleading based on how the question could have been asked.

When we have monitored this in the U.S., we have asked consumers if they ever owned a battery-electric vehicle and if they still own it, and revealed a different story. We found that roughly 8 in 10 still own one in 2024, same as in 2023. I suspect consumers may have a diverse fleet, and one of their vehicles may be a BEV, but the next vehicle could be an ICE vehicle, hybrid or plug-in hybrid based on the driving needs.

JOHN KISER
Executive vice president of auto and mobility
Ipsos
Roseville, Calif.
Ipsos is a global market research company supporting a variety of industries including automotive.

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NADA

NATIONAL AUTOMOBILE DEALERS ASSOCIATION

OPINION

Automotive News encourages industry leaders to address our readers directly.
To submit an opinion piece, email it to AutomotiveViews@autonews.com.

Why an AM radio mandate in vehicles is a bad idea

Gary Shapiro, Linda Moore, John Bozzella and Albert Gore


Gary Shapiro is CEO of the Consumer Technology Association.


Linda Moore is CEO of TechNet.


John Bozzella is CEO of the Alliance for Automotive Innovation.


Albert Gore is executive director of the Zero Emission Transportation Association.

As the leaders of four organizations representing North America's tech companies, auto manufacturers and suppliers, we must address federal legislation that would take us a century backward and impede safety advancements and innovation: a mandate to include analog AM radio in all new vehicles.

The four of us hold a range of views. But we're all aligned on one common principle: Innovation is key to American leadership. That's why we oppose the AM Radio for Every Vehicle Act.

While AM radio has created great memories and value for many, forcing it into all new vehicles — whether Americans want it or not — poses some big drawbacks.

To accommodate analog AM radio as a primary design requirement, certain carmakers may need to scrap advanced safety features, with engineers having to prioritize outdated technology over current or future safety innovations. If the goal is to save American lives, Congress should encourage automakers to focus on innovative technologies like advanced driver-assistance systems, autonomous vehicles and collision avoidance systems that actually reduce car accidents and fatalities.

Tough to compete

A mandate would also kneecap American automakers' ability to compete in a rapidly evolving and global automotive landscape. In 2023, China became the world's leading vehicle exporter, a position previously held by U.S. manufacturers. American automakers have invested in developing electric and autonomous vehicles, which rely on cutting-edge electronics and software to optimize performance, efficiency and user experience. An analog AM radio mandate adds unnecessary complexities to the design and manufacturing process of these vehicles and harms our global competitiveness.

Moreover, such a mandate would be a barrier to the success of America's growing electric vehicle industry. AM radio signals are highly susceptible to interference from the electric motors, sensors and other electronic components found in EVs. That's why AM radio reception in EVs is often riddled with static noise. While EV makers could reduce interference by installing additional shielding, there is no way to resolve this issue completely. These additional components would also increase production costs. For carmakers leading the way in EV deployment, a federal analog AM radio mandate would require a complete vehicle redesign. According to a study from the Center for Automotive Research in Ann Arbor, Mich., the proposed mandate would cost manufacturers $3.8 billion over seven years, slowing EV development and efforts to modernize transportation.

At the same time, AM radio listenership is on the decline. That's in part because automakers have invested heavily in infotainment systems featuring advanced technologies including Bluetooth, voice recognition, satellite radio and smartphone integration. These systems provide consumers with a superior audio experience compared with traditional analog AM radio and also help deliver hands-free operability to drivers.

Flawed argument for AM

Of course, AM radio is still an important feature for many Americans, and the great news is that consumers will still be able to purchase a vehicle with analog AM radio. At current car replacement rates, even if analog AM radio were phased out tomorrow — which no one is suggesting — it would be decades before it disappeared from all cars on American roads.

In advancing the bill, proponents have focused primarily on a public safety argument centered around access to emergency alerts and local AM radio broadcast warnings. But is it fact-based?

Definitely not for emergency alerts. Today, the Federal Emergency Management Agency-run Integrated Public Alert & Warning System integrates many forms of communication, pushing emergency alerts through digital and analog AM/FM radio, Internet-based radio, satellite radio and cellular networks. This multilayered approach allows emergency information to reach the public through their preferred communication channels. As the data shows, that's increasingly not analog AM radio. In a study completed by the Consumer Technology Association, just 1 percent of U.S. adults heard emergency alerts via AM radio only during a nationwide 2023 test, while 95 percent received the alert on their phones.

It is also likely (we don't know — nor does Congress) that many if not most AM radio stations are not staffed much of the time, especially at night, the only time AM has broader coverage than FM. Mandating foreign-made, outdated technology in every car when it will provide little safety value is inconsistent with good public policy.

Seek alternatives

If this push was truly about public safety, Congress might consider an alternative: legislation that would ensure cars can receive emergency alerts without locking manufacturers into specific technologies. Lack of action on that front leads to only one conclusion: Congress simply isn't concerned with the expense of future innovation, higher vehicle prices or the competitiveness of the American auto industry.

This proposed AM radio mandate is an unprecedented, costly and unnecessary "solution" in search of a problem. Instead, Congress should refocus on encouraging the adoption of emerging technologies that enhance vehicle safety and improve emergency communication systems. Promoting innovation in advanced safety features, autonomous vehicles and rural broadband infrastructure would provide a more effective and forward-thinking approach to public safety.

TOP F&I PROVIDERS OFFER MORE THAN JUST PRODUCTS

When dealers select an F&I provider, there are many important factors to consider other than just the suite of products the company offers. Making the right choice is no small matter; choosing a provider that can serve as a trusted consultant and collaborator can provide significant financial and operational benefits for dealers. Gabe Garroni, Senior Vice President of Insurance Sales at Ally Financial, offers some helpful insights that can help dealers navigate the decision-making process.

Gabe Garroni, Senior Vice President of Insurance Sales, Ally Financial

Q: When it comes to selecting an F&I provider, what factors should be most important to a dealer?

Gabe Garroni: A good F&I company isn't just a product provider. Most companies offer a very similar variety of products, so dealers expect more than just getting a product to sell. A good F&I company differentiates itself by operating as a trusted consultant and the key differentiator is its people. The ideal team has deep knowledge about how a dealership works, along with the connectivity of each department so they can address the full scope of dealership needs on a holistic level. They leverage information in a consultative way to help each dealer address challenges and opportunities that are unique to them.

Q: How does a consultative approach work and why is it effective?

Garroni: A true consultative approach is customer centric. While we certainly want to communicate our differentiators, it's more important to listen to dealers and extract key themes that allow us to help dealers solve their specific problems. Most of the time, dealers won't say they have an issue with a particular product, but they would say something like, "My team is green" or "I'm trying to expand my footprint." These are important indicators the account team may recognize and address when they meet with a dealer. If a dealership's team is new or lacks experience, there should be a specific training plan that focuses on the basics – leadership building and so forth – to set that team up for success and help the dealer retain talent.

"We've seen dealers improve product penetration by more than 20 percent just by leveraging the tools we've given them to succeed."

Q: How does one become a dealer's trusted consultant?

Garroni: That comes with time and requires perseverance, consistency and patience. The business must be earned with every visit and every interaction. After a strategic plan is put into place, both parties need to agree on clearly set service-level commitments and each must be accountable to that plan. That aspect is very important. If a dealer hasn't bought into this concept, then there will be a lack of commitment throughout their store and success could be limited. If dealers believe in the plan, they will get their team on board to execute. To gain trust, the account executives may hold roundtables on a regular basis to assess performance with the broader team. If milestones are being missed, they should be addressed early and often to course correct. As time goes on, that account executive ideally would become the natural "go to" person whenever there are other issues or opportunities. Said differently, a true trusted consultant should sit on the same side of the table as the dealer's leadership team.

Q: Can you provide a specific example of how this method could improve a dealer's performance?

Garroni: It's all about joint accountability. First, the agreement is carefully crafted to identify the learning and development areas of greatest need, along with the corresponding results expected from improvement in those areas. Then, by agreeing on service-level commitments and getting leadership to buy-in, a dealership may increase overall product penetration, which may significantly boost profitability. We've seen dealers improve product penetration by more than 20 percent just by leveraging the tools we've given them to succeed.

One simple methodology involves tailoring your pitch to a customer's unique situation, so it instantly becomes more relevant. For example, an effective customer interview can provide insights into why a customer chose a particular car. Are they looking for safety, performance, economy or – just a fun car? Determining customers' motivations for buying or leasing particular vehicles can provide valuable insights into how they allocate value, while also giving insights into their ability to pay for unforeseen expenses.

A service walk is another tried-and-true method that's often overlooked. This can help customers to start thinking about owning, maintaining and servicing their vehicles with the selling dealers. This mental shift helps producers discuss the many benefits of programs that are geared towards improving customer experiences and retention while reducing the stress and uncertainty of possible mechanical failures. The many benefits of the full suite of F&I products may be obvious to dealership personnel because they are exposed to them daily, but it may not be as obvious to a customer purchasing a vehicle once every three to five years.

Q: What sort of new concerns do dealers have that a trusted F&I provider could help address in today's environment?

Garroni: Compliance has become a huge issue as the regulatory landscape continues to evolve. There are new areas of focus, particularly around protecting customer data and there's also a greater emphasis on dealer transparency. Compliance isn't merely a check-the-box exercise. Some high-profile dealers are facing hefty fines for non-compliance and there also are reputational consequences that can create longer-term impacts.

Dealers already have a lot on their plates from running their businesses day-to-day, so it's often hard to notice compliance-related issues. That's where we come in. Being able to help dealers see around corners by providing tools so they can identify potential gaps or weakness in their operations really aligns with the idea of being that trusted provider.

For instance, conducting a simple dealer jacket review isn't enough. To help dealers gain an understanding of potential risks, our teams dig into the details and analyze dealerships' operations on a more comprehensive level, from how they train their employees and hire and fire them to how they store customer data and market their products. We then bring in a compliance expert from the Association of Dealership Compliance Officers (ADCO), which offers tailored classes at a discounted price for dealers that do business with Ally. As a trusted consultant, our team works with dealers on an ongoing basis to ensure we're proactively addressing any issues, which enables them to focus on their businesses.

ABOUT THE PANELIST

Gabe Garroni
Senior Vice President, Insurance Sales
Ally Financial

Garroni is responsible for sales, growth and strategic planning in the United States. Ally's insurance operations include consumer products such as Ally Premier Protection, GAP and Everyday Protection Products for retail automotive dealers. Garroni joined Ally in 2011 as an area sales manager.

Visit www.allydealerbeyond.com/products-services/finance-insurance/ to learn more about Ally.

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MAKING CAREER MOVES

Apprentice technicians receive star treatment at signing ceremonies held by Carter Myers Automotive

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To celebrate students who choose to become auto repair technicians — as well as raise the profile of such careers — Carter Myers Automotive partners with high schools in its stores' markets to hold signing ceremonies for those students.

Participation in the festive ceremonies enables Carter Myers to promote the many benefits of careers in the trades, which for decades have played second fiddle to white-collar jobs that require four-year college degrees. It also helps the dealership group make headway in mitigating the nationwide shortage of technicians.

"We want to celebrate these students as they enter a career path and earn a living wage — with no college debt and great earning potential," said Beth Lucchesi, talent acquisition specialist at Carter Myers, of Charlottesville, Va. The dealership group owns 24 stores in North Carolina, Virginia and West Virginia.

Lucchesi: "No college debt"

The events are patterned after signing ceremonies typically held for high-profile athletes when they sign commitment letters to attend colleges on sports scholarships. As such, the apprentice technician ceremonies feature all of the attendant hoopla routinely accorded those athletes.

Anywhere from 100 to 150 people attend the events — including family members and friends of the apprentices — local media outlets, local and state school and education officials, and state and local politicians. And, of course, officials from Carter Myers.

"In the last few years, we've seen an uptick in celebrations and recognition of and focus on the trades," Lucchesi said. "We're not taking anything away from anyone who wants to be a lawyer or a doctor — that's fantastic. But for the many students who don't know what they want to do or who want to work with their hands ... there are plentiful jobs within the auto industry that can provide a great living without a college education.

"The auto industry has very low barriers to entry and is a very welcoming field."

The ceremonies also celebrate the families that support students in trades education, she said.

PHOTOS COURTESY OF CARTER MYERS AUTOMOTIVE

From left, Lavar Charity Jr., Shad Malloy and Danny Medina, who joined the Carter Myers Automotive apprentice technician program, participate in a signing ceremony. It's not uncommon to have more than 100 attendees cheer the recent high school graduates at an event similar to college athlete recruiting ceremonies.

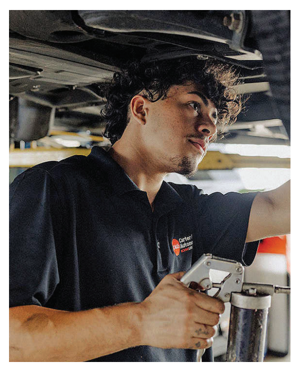
Get the party started

Carter Myers' participation in the signing ceremonies came about after CEO Liza Borches hired Lucchesi in 2021 to launch a technician recruiting initiative and an apprenticeship program. While developing relationships with local high schools, as well as a few trade schools and community colleges, Lucchesi heard about the signing ceremonies and was invited to attend one.

Carter Myers began participating in spring 2022 and relishes the opportunity to put auto repair careers on equal footing with other, more high-profile careers, as well as eliminate the stigma that often accompanies trades careers, Lucchesi said.

"We piggy-backed on the school celebrations," she told Automotive News. "We want the students to feel as

see SIGNING, next page



Medina, a recent high school graduate, works as an apprentice technician at Colonial Chevrolet in Chester, Va.

Apprentice action plan

Developing an auto technician apprenticeship program is time-consuming and expensive. But the benefits make it worthwhile. To build a strong program, here are some suggestions from Beth Lucchesi, talent acquisition specialist at Carter Myers Automotive.

- Develop strong relationships with officials at high schools and trade schools.
- Visit vocational classrooms and explain the program and performance expectations to students.
- Take a master technician along to answer questions from students.
- Engage parents of interested students with a presentation about technician career paths, compensation, benefits and so forth.
- Let prospective candidates shadow a technician for a day to get a true feel for the work.
- Set high application requirements and make sure students are a good fit for a dealership's culture.
- Ask vocational instructors at high school and trade schools to recommend good apprentice candidates.
- Honor incoming apprentices with a "signing ceremony" to make them feel special — and underscore the benefits offered by a career in auto repair.
- Make sure the technician who will instruct an apprentice is a good fit personality-wise.
- Celebrate apprentice achievements and milestones to keep them engaged.

Service teams avert cat-astrophe

Dan Shine and Georgia Hall
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Dealership service departments are used to customers complaining their engine is making knocking or pinging sounds. But the service crew at West Herr Chevrolet of East Syracuse in New York recently heard a different engine complaint.

"A customer pulled up in a big 2500 Silverado diesel and says, 'Don't laugh at me. This is probably going to be the strangest thing you've ever heard, but my truck is meowing,'" Service Adviser Jim Gustina said.

It's one of two recent instances — cat tales, if you will — of felines being rescued by dealership service departments. The other occurred in Fort Worth, Texas.

Cat in distress

The Silverado owner heard the meowing June 6 after a hospital appointment for, what else, a CAT scan. A group of people were around his truck saying they heard meowing. Then it stopped so he figured the cat had gotten out. As he drove down the freeway, the meowing returned, so he headed to West Herr nearby.

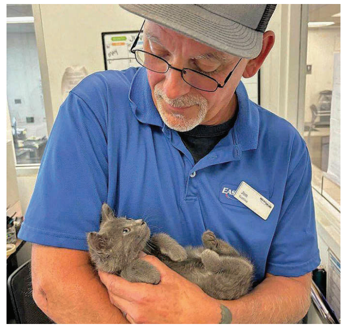
The service drive staff heard the meowing as soon as the truck pulled in. They immediately closed all the doors to prevent an escape of the trapped feline.

"We could hear the cat when he pulled in; this cat was in distress," Gustina said. "It was not like an angry cat meow, it was like, 'Help me, I'm dying.'"

Gustina climbed up on the grille to look under the hood while technicians Mike Crapo and Jay Wahl searched with flashlights and wands with cameras typically used to check inside cylinders. Service Adviser Taylor Disco slid under the truck and waved a piece of salami to try to coax the kitten out.

The meowing stopped and the crew feared the worst, but after a short "pawse," the kitten let out another small meow that the workers thought came from near the windshield wipers. They asked the truck owner if it was OK if they took his truck apart, and he agreed.

Off came the wiper arms, then the cowl. That's when Gustina saw a paw behind the



wiper transmission, which was then removed.

Gustina was able to grab the kitten by the scruff of the neck and pull it out.

"It was a little tiny kitten only 9 weeks old and really overheated," Gustina said. "He was really breathing heavy."

Service Adviser Sara Ano dipped a napkin in

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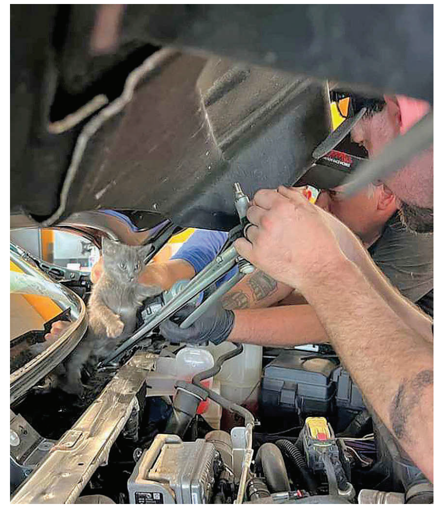


WEST HERR CHEVROLET OF EAST SYRACUSE PHOTOS

Service Adviser Jim Gustina and members of the service team at West Herr Chevrolet rescue a kitten from behind the windshield wiper transmission of a Chevy Silverado. Gustina, left, adopted the kitten and named it Diesel.

SIGNING

continued from previous page

excited about coming to [Carter Myers] as we are about having them — that's super important to us."

Apprentices receive a starter set of hand tools that the service and shop managers feel are most critical. If apprentices already have tools, they receive a gift card that's equal in value to a tool set so they can buy more tools. They also receive branded gear, such as hats and a shirt, Lucchesi said.

An emcee presents a short biography for each apprentice and announces the value of the benefits they'll receive from the dealership group. Then they sign commitment papers as people cheer and cell phone camera flashes go off.

"It's a pretty big deal," Lucchesi said.

Carter Myers has established strong relationships with 17 high schools. Lucchesi said the auto group has recruited around 30 apprentices, and 26 of them have evolved to flat-rate technicians, she said.

15 minutes of fame

Two apprentices at Colonial Chevrolet in Chester, Va., were honored in April during a ceremony in Richmond, Va.: Danny Medina, 18, and Lavar Charity Jr., 17. In May, Medina graduated from Freeman High School, and Charity graduated from Highland Springs High School, both in Richmond.

"It was really exciting," Medina said of the event. "There was a time when I was really worried about not knowing where I was going to start a career. So it was great finally seeing myself here and having a career set up for me."

Medina, who earned an Automotive Service Excellence, or ASE, certification from the Advanced Career Education Center at Hermitage in Henrico, said a number of Carter Myers employees attended his signing day, "which made me feel like they thought it was important. They definitely make us feel special," he said.

Charity said he felt "proud and excited" at his signing ceremony.

"It's nice to have that kind of support and nice for people going into the trades to get that kind of attention, not just athletes," he said.

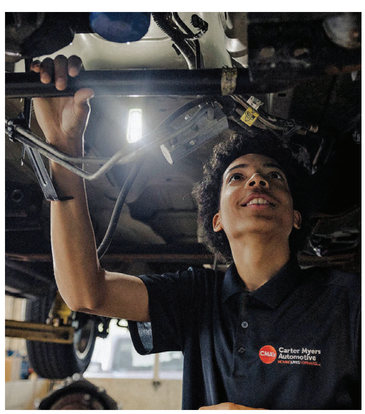
Medina started his apprenticeship in April, and Charity started in January.

Comprehensive program

Lucchesi exposes students to the apprenticeship program through regular classroom visits, during which she explains how the program works and lays out the group's expectations for apprentices. A younger master technician accompanies her to handle "real-world questions" from students, she said.

Carter Myers also invites students to shadow a technician for a day. They get the royal treatment, including a tour of a store and introductions to managers and other employees. Then they shadow a master technician for the rest of the day, Lucchesi said.

"It's all hands-on, so students get an opportunity to help master technicians with whatever they're working on that day," she said. "They get a great feel for the shop as well as what it's like to work at[Carter Myers]."



CARTER MYERS AUTOMOTIVE

Lavar Charity Jr. started his apprenticeship in January and graduated high school in May.

A week or so later, the dealership group meets with the parents of students who are interested in apprenticeships. They hear presentations from instructors in the apprenticeship program who are certified master technicians; Lucchesi also talks about career paths and other opportunities at Carter Myers.

Parents then get to ask questions about compensation, future education opportunities and other benefits, which hopefully "facilitates kitchen table discussions" among parents regarding their child's future at Carter Myers, she said.

"This step hopefully gets the parents engaged and helps them understand we don't want Johnny to just work in the quick-lube lane for $20 an hour for the rest of his life," she said. "We want him to create a true career for himself."

Careers in the making

After that, students apply for apprenticeships. They need to be at least 16 years old, hold a valid driver's license and have a good driving record. Carter Myers also looks for students with more than five ASE student certifications, which indicates they're committed to a career in auto repair, Lucchesi said.

"We also look to see if they're a good fit for our culture, just like any other job applicant," she said. "They need to be team players, enthusiastic and lifelong learners."

Carter Myers also works to develop good relationships with students' instructors and school administrators and asks them to recommend good apprentice candidates.

"We want reliable and honest feedback about who would be a good fit for our team," Lucchesi said.

Apprenticeships can be as short as six months or as long as two years, depending on apprentices' experience and aptitude. Most apprentices start working part time in January or February of their senior year in high school and start full-time work after they graduate, she said.

It typically takes an apprentice five to seven years to become a master technician. But they can become a certified technician for certain vehicle brands within a year and a master technician for those brands in three to five years, Lucchesi said.

So far, so good

Thus far, turnover among the 30-some apprentices has been low. Two decided to join the military, for example, and one moved out of the area. Lucchesi said working at dealerships isn't for everybody; some migration to an independent repair shop is expected.

"But we try to minimize that by having many touchpoints during the year, which gives students a realistic idea of what it's like to wrench for a living at [Carter Myers]," she said.

To minimize turnover, it's important to match an apprentice with a master technician that's a good fit personality-wise. Service managers also have latitude to keep apprentices engaged by celebrating achievements such as ASE certification, for instance, or perhaps completion of a car manufacturer's training certification program, Lucchesi said.

It's also critical to consistently communicate with and visit high school and trade school instructors, she said.

"The more they see you and the more that students see you, the more they'll trust that you're invested in their future and that you'll be a good employer," Lucchesi said.

In addition, it's helpful to join advisory boards for those high schools and trade schools, which gives people like Lucchesi the chance to provide input about what to teach students.

"The reality is that developing an apprenticeship program takes a lot of time and costs a lot of money," she said. "But in the long run, it's providing us with future master technicians."

Lucchesi said she feels attitudes toward the trades are slowly changing for the better, and things like the signing ceremonies can only help the movement gain more momentum.

"Decades ago, students in vocational education were stigmatized as troublemakers," she said. "But that's starting to shift now. Not everyone needs to go to college. And for those who don't, why shouldn't they be celebrated?"

Free tools to techs aids retention efforts

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Dave Wright wants to change two things at the dealership group where he works before dropping the curtain on his long career in the automotive service industry.

One change he wants to make is to provide alternatives to flat rate pay schedules for technicians. His other goal, which is about to be scratched off the list, is to provide free tools to the wrench turners in his shops.

Shaheen Automotive Group, in Lansing, Mich., debuted a free tool program in its body shop this spring. The plan is to roll it out to the main service shop and to collision paint technicians next. Shaheen Automotive sells Buick, Cadillac, Chevrolet and GMC brands.

SHAHEEN AUTOMOTIVE GROUP

Shaheen Automotive's Ralph Shaheen, left, and Dave Wright show off a free tool set they're providing to each technician. Automotive is one of the few trades where techs must buy their own tools, which can run tens of thousands of dollars.

Free tools in each bay

The tool program is simple.

When a technician shows up in their service bay, a full set of tools is there for them to use for as long as they work at Shaheen. If they leave, the tools stay put. The set includes all hand and air tools required for any repair, including electric vehicles.

"Our plan is to provide every tool you'll need to be successful," said Wright, Shaheen's fixed operations director, who has spent nearly 40 years in the auto industry — 29 with Shaheen. "My CFO asked, what if a 20-year journeyman with his massive toolbox says, 'I want to take part in the program,' I'm fine with that, because I think we should provide that for our people.

"I know it's a very substantial investment, but it's an investment in their future and it's an investment in our future," he said.

The shortage of automotive technicians has plagued dealership service departments and parts operations for years. TechForce Foundation estimates nearly 500,000 auto technicians are needed to fill openings. There are numerous programs around the country to train more technicians.

Wright and Shaheen think taking away the burden of buying tools will appeal to prospective technicians.

A full toolbox for a main shop technician is about $40,000. For a collision technician, a full set of tools is $35,000, while tools for a body shop painter cost about $8,500.

Wright said automotive is the rare trade where workers are expected to provide their own tools. That alone can turn potential technicians away and into another line of work.

"I think it's preventing a lot of young people from entering our industry," he said.

"You talk to prospective applicants and then tell them, 'You'll need about $40,000 worth of tools.' Where are they going to get that money from? The tool companies all have financing plans but that's where the problems can begin."

Wright said some technicians tend to disappear on test drives when the tool truck shows up at the dealership because their weekly payment is due and they don't have the money.

"In most families, both the husband and wife work because of the cost of living these days," he said. "Tools are just not something that is part of their budget."

Help growing their own

Many of Shaheen's technicians are homegrown. The group has had an apprentice program for years to train the next generation of wrench turners. Wright said he constantly approaches young workers in the dealership group's huge wholesale parts operation to see if they're interested in training to become a technician.

"There's a disconnect when they say 'yes,' but follow up with, 'I'd love to, but I don't have any tools,' " he said. "We've been having the conversations internally for quite some time" to remedy this.

When Wright and group president Ralph Shaheen attended the NADA Show this year, they visited the Sonic Tools USA booth. The company has a technician recruitment program affiliated with General Motors and a Pathway Program for tools that gives beginners a basic set with everything they need for easier tasks and that grows over time with intermediate and advanced add-on sets.

"We looked at the quality of the tools. We looked at their laser-cut foam inserts that go into the toolboxes and their inventory system," Wright said. "Basically, I was able to convince Ralph that I believe it will open a whole new set of potential employees to us."

Sonic Tools USA just signed a deal with Lithia to be the preferred tool vendor for the largest U.S. auto dealership group. And working with dealerships to provide free tools to their technicians is "really catching on," said Andrew Coccari, vice president of sales and marketing for the company.

"In competitive markets, dealers are looking for an edge," he said. "We're working with All-American Ford in New Jersey; Cerritos Infiniti in California; Hyundai of Auburn, Ala.; Holmes Honda in Louisiana; BMW of Reading, Pa., and more."

Some dealerships, like BMW of Marietta in Georgia and Shaheen Automotive Group in Michigan, set up their programs so the tools stay with the workstations. "Either way, fixed ops managers or service technician customers are able to pay their tool expenditures off" in a shorter than normal time frame," Coccari said.

Wright said tool initiatives like the one at Shaheen are "overdue within our industry." But dealerships shouldn't look to manufacturers for help. It is on them to be innovative, he said.

"We're entrepreneurs," Wright said. "We need to be creative and come up with solutions for training these people and providing a good culture for them to work in and continue to grow. I think if you have the right culture and you're doing the right things for your people, it will be a differentiator.

"When a dealership down the street approaches one of our techs and says, 'I'll give you two bucks an hour more to come work for me,' the tech will have to ask if that dealership provides tools like Shaheen does."

KITTENS

continued from Page **17**

water and squeezed some fluids into the kitten's mouth. Another adviser, Ashley Kozekwa, ran to the store for food. Technician Tyler Gallo picked up a cat carrier at home and brought it back to the dealership.

The customer's truck was put back together, and he was so grateful he bought pizza for the service department. In all, it took about 30 to 60 minutes to find and free the cat now named Diesel, who has all nine lives intact.

"It was really a massive group effort to save this kitten," Gustina said.

Service Manager Tim Mahar said the dealership has received some publicity from it.

"We've had people sending us pizza and candy and then a box came from Amazon that had the name Diesel on it," he said. "We opened it up and it had a whole bunch of stuff for little kittens — supplies and stuff like that. It's been pretty cool.

"And a lot of customers when they come in they ask about it."

West Herr made a $500 donation to the local Society for the Prevention of Cruelty to Animals in Diesel's honor.

The truck owner entertained thoughts of adopting the cat, but Gustina beat him to it.

"I said, 'I'm going to take the cat,'" said Gustina, who has five other felines. "Because once I got a hold of it, I put it in my arms and he was belly up … and he looked at me like grateful that I just saved his life, you know?"

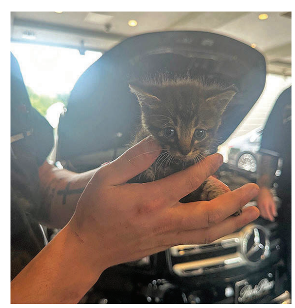
Service loaner meows

A quiet meow from the passenger side of a 2023 Mercedes GLB 250 concerned a customer every time he stopped at a red light. The customer returned the service loaner to Park Place Motorcars in Fort Worth with a warning: "I think there's a cat inside."

Service Manager Mauricio Zenon was informed by his valet, Sebastian Jimenez, of the situation and assembled his team of veteran technicians — Jacob Munoz, Mark Hawkins, Josh Brunk and Josh Chandler — to begin a rescue operation. It was 5:30 p.m. and the crew was tired and ready to go home, but there was a little animal in need.

They carefully removed bolts and belly pans, located the source of the noise and within five minutes found a 3- to 4-week-old kitten.

"There it was on a tiny little sliver on that skid plate," said Munoz, the first to spot the kitten. "As soon as I got into the car and looked through the drainage, I was able to see the cat's face."



PARK PLACE MOTORCARS

A crew at Park Place Motorcars worked overtime to free this kitten.

Zenon said the kitten was "tucked under there, unharmed and in good spirits."

A rainstorm had rolled through and the customer said he noticed several cats sheltering under the car, which is perhaps when the kitten got trapped.

Hawkins is a cat and dog owner and decided to adopt the kitten.

"Our dog is always there watching it, and if it's crying the dog is ready and very attentive," Hawkins said.

The team is trying to come up with a fitting name for the cat "but nothing is coming to mind that would do it justice," Zenon said.

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GREG CHIP | MERRILLVILLE, IN

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TOM WOOD NISSAN
JEFFREY WOOD | INDIANAPOLIS, IN

WEST HERR NISSAN
SCOTT BIELER | ORCHARD PARK, NY

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JOHN YARK | TOLEDO, OH

Ineos ad campaign is about brand-building

First spots to introduce the Grenadier SUV will target sports audiences

Jack Walsworth
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Ineos Automotive, hungry to formulate brand recognition as an upstart automaker, plans a multipronged marketing campaign, largely centered around popular sporting events, to introduce itself and the Grenadier SUV in what is the company's first major advertising effort.

The campaign, called "Built for More," will spotlight the Grenadier, which was announced in 2017 by Jim Ratcliffe, founder of British chemical conglomerate Ineos Group. Output began in 2022 for select markets. Production and deliveries for the U.S. began in the fall of 2023. The SUV is now available in 45 markets globally.

Ineos launched the campaign in the United Kingdom first, on June 17, said Matt Dunnakey, the automaker's global head of marketing. The campaign will launch June 24 in the U.S., the automaker's largest market.

Ineos Automotive CEO Lynn Calder called it "a big part of us growing up."

"We're not just an auto manufacturer," Calder said. "We're trying to build a brand, and for that, you need to build a brand campaign, and you need people to know about you."

Ineos will highlight the ruggedness of the body-on-frame Grenadier through TV and video-streaming commercials, print ads, social media and prominent billboard placements including in New York City's Times Square, which will go up in October.

INEOS AUTOMOTIVE

The Ineos ads will highlight the ruggedness of the Grenadier with the "Built for More" tag line.

'Not the average person'

Ineos begins the TV spot by addressing viewers directly and asks whether they can see themselves reflected on the screen. Another message appears and asks viewers whether they're becoming one with their couch cushion before sharing that the average person spends nine years of their life on a sofa.

As a Grenadier comes into focus with a rainy, off-road backdrop, the words, "But you're not the average person, are you?" appear. The camera then moves around and ultimately under the SUV. The scene transitions to the Grenadier in a city with the "Built for More" tag line.

The TV commercial will run initially in a 60-second format and then eventually 30 seconds, Dunnakey said.

"We don't hide the fact that a lot of people haven't heard of us," Dunnakey told Automotive News. "That is a challenge. The more people have heard of us, the more people potentially we want to convert, we want to sell more cars. It's as simple as that. It's a commercial reality."

With the base price of the Grenadier set at $73,100 and Trialmaster and Fieldmaster trims priced from $80,790, the brand is targeting more affluent households. Both prices include shipping.

"We don't want to sell to everybody," said Dunnakey. "We're not a mass-market brand; we're never going to be volume. We're still pretty niche. We want the marketing to look cool, but it is going to probably only talk to a certain type of person."

Dunnakey said the commercial was filmed in Chile in April. Ineos Automotive's creative agency is Wonderhood Studios, of London.

Ineos started formulating the campaign, with customer insight and research, around a year ago, Dunnakey said, noting that Ratcliffe was involved and gave it the green light.

Calder said the campaign and establishing the brand's tone has been her biggest corporate priority in the last six months.

Big-ticket events

Calder declined to specify a price tag for the campaign but said Ineos has so far invested tens of millions of euros in it, with the bulk of the outlay on TV ads during popular sporting events.

Ad placements include the UEFA Euro 2024 soccer tournament, the 2024 Summer Olympics in Paris, Formula One races and PGA golf events.

Calder said Ineos would love to advertise during more sports programming such as MLB and NFL games and even the Super Bowl, the preeminent U.S. sporting event.

Calder anticipates the campaign will run for the next four months. Ineos will then reassess its plans, which could include another burst of advertising this year, as well as figure out its 2025 marketing, Calder said.

Ineos plans advertisements on over 1,000 billboards in the U.S., Calder said, with placements largely corresponding with the brand's U.S. retail footprint of 18 dealerships. Ineos also has two dealerships in Canada.

Calder said U.S. dealers have pressed Ineos to invest in marketing and build brand awareness.

Greg Clark, Ineos' executive vice president for the Americas, hopes the marketing spurs enough demand that Ineos can "deliver more than 10,000 units this year" in the U.S. and Canada.

Calder anticipates Ineos will enter five more markets in the second half of 2024, most notably China and Mexico. China, which is the world's biggest market and tilting decidedly toward electric vehicles, will help expand reach but also prove challenging, as the Grenadier is exclusively an internal combustion engine vehicle that will meet intense competition from legacy automakers and rising Chinese brands.

Calder spoke at the Automotive News Europe Congress in Frankfurt on June 12 and said she met an attendee who had been in the auto industry for 30 years but hadn't yet heard of Ineos. The interaction, she said, convinced her the brand still has work to do.

"There's a whole world out there of people who haven't heard of us yet," Calder said.

Tesla tops American-Made Index again as Honda, Volkswagen models close in

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Tesla Inc. remains the only automaker in which 100 percent of the vehicles it makes in the U.S. are sold in the country. And the Tesla Model Y claimed the top spot in Cars.com's American-Made Index in 2024.

Tesla, however, did not sweep the top four spots on the index as it did in 2023. The Tesla Model X dropped to ninth place, and the Tesla Model 3 to 21, but the electric vehicle maker still had three vehicles in the top 10. The Honda Passport took second place, and the Volkswagen ID4 took third.

Meanwhile, Ford Motor Co. ranked second and Stellantis ranked third for the percentage of U.S.-produced vehicles sold domestically in the first quarter.

Tops in American ties

Here are the top 10 vehicles on the 2024 American-Made Index and their production location. Vehicles were assessed on country of origin for engine and transmission, the percentage of U.S. and Canadian parts, and other factors.

1. **Tesla Model Y:** Fremont, Calif., and Austin, Texas
2. **Honda Passport:** Lincoln, Ala.
3. **Volkswagen ID4:** Chattanooga
4. **Tesla Model S:** Fremont, Calif.
5. **Honda Odyssey:** Lincoln, Ala.
6. **Honda Ridgeline:** Lincoln, Ala.
7. **Toyota Camry:** Georgetown, Ky.
8. **Jeep Gladiator:** Toledo, Ohio
9. **Tesla Model X:** Fremont, Calif.
10. **Lexus TX:** Princeton, Ind.

Source: Cars.com

American-Made Index lead researcher Patrick Masterson and Cars.com Editor-in-Chief Jenni Newman analyzed data for more than 400 models on sale in the U.S. for the 2024 model year, evaluating 165,000 vehicles in Cars.com's inventory. Vehicles were assessed on five key factors on a 100-point scale:

1. The country of origin for the transmission
2. The country of origin for the engine
3. U.S. manufacturing employees relative to the automaker's footprint
4. Location of final assembly
5. The percentage of U.S. and Canadian parts.

Cars.com does not release the scores, only how the vehicles rank.

Of all the surveyed vehicles, half were imported and did not meet the index's requirements. SUVs and pickups showed some of the most considerable increases, and the scores for sedans and coupes declined.

Combined electric, hybrid, and plug-in hybrid models made up 23 percent of all index vehicles, with a growth of 130 percent since 2020; gasoline-powered models declined by 5 percent in that period.

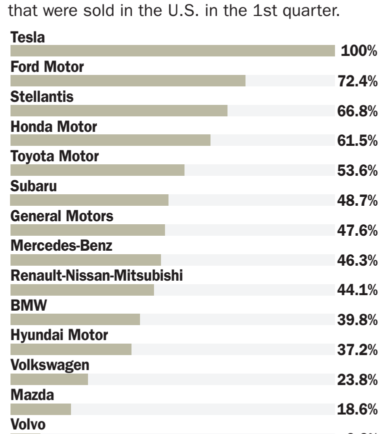
However, Masterson said "repeated delays, late rollouts and new models and underperforming sellers mean EVs still only make up 8 percent of vehicles on this year's American-Made Index, which is the same as in 2023."

New vehicles on the index were the Lexus TX, which came in at No. 10, as well as the Toyota Grand Highlander at 16 and Toyota Grand Highlander Hybrid at 28. The Ram 1500 Classic made the largest climb, up from No. 89 to 19, while the Mercedes-Benz GLE had the largest fall, from No. 53 to 99.

A Cars.com in-market consumer survey also found that 56 percent of vehicle shoppers were willing to pay more for a vehicle if it created more U.S. jobs. Of that group, 58 percent said they were willing to pay at least an extra 10 percent.

Made here, sold here

All of the vehicles Tesla produces in the U.S. are sold in the country. Here are the percentages of automakers' vehicles made at domestic plants that were sold in the U.S. in the 1st quarter.



Source: Cars.com

Masterson said an increase in investment by foreign and domestic automakers for vehicles during the 2024 model-year period mostly occurred in the South, saying the region was "a hotbed of manufacturing growth," with the Midwest in second. Michigan still has the most vehicles assembled on the index, with growth of 23 percent since 2020. Alabama's showing has grown by 50 percent since 2020.

Automotive News DAILY DRIVE

AROUND THE AUTO WORLD

Here are edited highlights from the latest episodes of "Daily Drive," Automotive News' weekday podcast, hosted by Jamie Butters and Kellen Walker.

"All of these companies are fighting for survival. Fisker is out. Lordstown is out. There are other smaller ones that are out."

Laurence Iliff, Automotive News staff reporter, on Fisker's Chapter 11 bankruptcy filing and what it says about the state of electric vehicle startups

"If a dealer is able to sell those vehicles quickly, they'll get new ones … and they can keep the line moving and actually bank a decent chunk of change."

Michael Martinez, Automotive News staff reporter, on Ford's updated floorplan assistance program for dealers

"It's a testament to the fact that as much as we are pushing in this industry to go digital at the end of the day, we still really need that human interaction and that camaraderie to make things happen."

Laura Burstein, automotive design journalist, on the EyesOn Design competition

INTELLIGENCE REPORT 2024

SECOND OF FIVE PARTS

CHARGING INFRASTRUCTURE

This installment uncovers how automakers and charging companies are taking steps to simplify public EV charging

Charge networks expand, add Tesla plugs

Hannah Lutz
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Automakers and charging companies are taking steps to make charging electric vehicles easier.

Most consumers will only buy an EV if they can charge it wherever they are. Insufficient public charging station availability is the main reason buyers cite for not wanting to purchase an EV, according to J.D. Power.

Automakers and charging companies' top EV priorities are public charging expansion and reliability. Charging networks are replacing legacy charging equipment and improving software. Those companies, along with automakers, are also working to expand charger access by building more sites, adding multiple plugs at each location and incorporating Tesla's North American Charging Standard connector at their stations. Here's where things stand in mid-2024.

Sevierville, Tenn., is the site of one of 1,800 ChargePoint hubs.

ChargePoint

ChargePoint's network had more than 1,800 stations with more than 3,000 plugs in early June, according to Paren, which analyzes charging infrastructure. The company also backs the Mercedes-Benz Charging Network.

ChargePoint will continue to sell hardware, but it has amplified its focus on software sales. CEO Rick Wilmer told Automotive News he thinks the software-as-a-service business has higher profit potential than equipment sales. ChargePoint is developing software tools to improve the EV driver's experience, such as notifications when a nearby charger becomes available, he said.

Although ChargePoint isn't yet profitable, more drivers are using its chargers. Last year, EV drivers spent 180 million hours at ChargePoint stations in North America, up 63 percent from 2022.

ELECTRIFY AMERICA

Electrify America's San Francisco charging hub is its first indoor station. Its flagship site has 20 fast chargers, a lounge, Wi-Fi and food.

Electrify America

Electrify America, owned by Volkswagen Group, had more than 900 charging stations with more than 4,000 ports as of early June, according to Paren. The company plans to reach 5,000 ports by the end of this year. Its chargers span 47 states.

Charger usage is also surging for Electrify America. The network's sessions doubled last year to more than 10 million.

Electrify America aims to improve the driver experience by replacing legacy chargers. The company has already replaced more than 680 underperforming legacy chargers.

It opened a flagship indoor station in San Francisco in February. The site has 20 fast chargers, plus a lounge, food and beverages, Wi-Fi and restrooms.

EVgo

EVgo has more than 3,000 charging plugs at more than 1,000 sites across 35 states, according to its first-quarter earnings report.

The company is not yet profitable, but charger utilization increased to 19 percent in the first quarter, up from 6 percent two years earlier. CEO Badar Khan said EVgo expects to make nearly $200 million in annual adjusted earnings in three to five years.

Much of the company's performance hinges on partnerships with automakers. EVgo has a substantial partnership with General Motors, backing its GM Energy-branded chargers at Pilot and Flying J travel centers along highways and more than 1,000 chargers in metro areas.

EVgo also launched a program last year to replace, upgrade and retire hundreds of chargers to improve reliability. The company is improving uptime, upgrading payment processes and adding more chargers per site so that a functioning charger is always available, Khan said.

EVGO

A Kia recharges at an EVgo site. EVgo operates in 35 states.

see CHARGING, Page 26


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the Leading EV Business
and Technology Guide
For the road ahead, let us take the worry out of your new energy business function.
Enhance your team with cutting-edge EV training, live support, real-time monitoring and cost-saving adjustments. Transform your energy strategy with our Interface software - including energy cost management.
Improve vehicle and fleet management, support ESG initiatives and ensure reliability and efficiency. Regular inspections and support managing operational KPIs are all guided by your dedicated client success team. Work with us to:
Plan
Install
Manage
Future Energy®
Powered By Software, Driven By People
Accelerate your investment at futureenergy.com

CHARGING

continued from Page 24

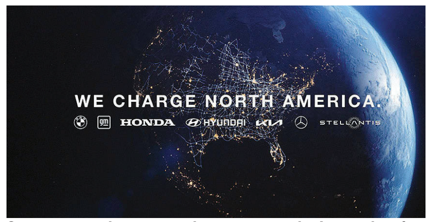
GM ENERGY

GM Energy chargers are compatible with all EV brands.

GM Energy

GM Energy, which previously went by the Ultium name, has 38 charging stations with more than 150 ports at Pilot and Flying J travel centers, GM said in June. The chargers are available to EV owners of any brand.

GM partnered with EVgo on the chargers. GM Energy plans to open up to 2,000 fast chargers at as many as 500 Pilot and Flying J locations, with 200 slated to be on line by the end of this year. GM and EVgo also partnered to install up to 3,250 fast chargers in more than 50 major metro areas for EV drivers who are unable to charge at home or work. More than 1,000 of the metro market chargers have been installed so far.



Seven automakers teamed up to create the Ionna charging network. The first station is slated to open this summer.

Ionna

Ionna plans to open its first charging station this year. The company was created last summer by BMW, GM, Honda, Hyundai, Kia, Mercedes-Benz and Stellantis. Since then, Ionna has been building its ranks with leaders from EV Connect, Stellantis, GM, Rivian, BP Pulse and more.

Seth Cutler, former president and COO of EV Connect, became CEO of Ionna in February.

The company plans to install at least 30,000 chargers in the U.S. beginning this year. Canadian installations will follow. Ionna will have to install about 6,000 chargers per year to meet that goal by 2030. The most Tesla has ever installed in a year is about 4,000, according to Bill Ferro, co-founder of Paren, which analyzes EV charging infrastructure.

The joint venture, open to EVs of any brand, is designed to broaden the charging network, and it gives automakers more influence on the customer charging experience.

Mercedes-Benz Charging Network

Mercedes partnered with ChargePoint to develop its own charging network, open to Mercedes and non-Mercedes EVs. The network had 13 sites with 43 ports as of early June, according to Paren. Most ports can charge two EVs at once, equivalent to 84 unique plugs, Ferro said.

The company's first North American charging hub opened in November at Mercedes-Benz USA headquarters in Sandy Springs, Ga., near Atlanta. Others are now open in states such as Alabama, Florida and Texas.

MERCEDES-BENZ

Mercedes will open 2,500-plus chargers in 400 locations.

Mercedes plans to open more than 2,500 chargers in 400 locations by 2027. Most will be in city centers, along major routes and at select dealerships. Mercedes-Benz drivers can plug in and charge at all of the chargers.

Rivian Adventure Network

Rivian's fast charging network is designed in part to put chargers near off-road or adventure areas. The network has nearly 80 sites with more than 470 chargers so far, Rivian said. It is opening to EVs of competing brands this year. The chargers are powered by renewable energy.

Rivian plans to have more than 3,500 chargers at about 600 sites along popular routes and highways in the U.S. and Canada. The company says the chargers can add up to 140 miles of range in 20 minutes on Rivian models.

RICHARD TRUETT

Rivian Adventure Network chargers, near off-road sites, run on renewable energy. These are around Ludington, Mich.

Tesla Supercharger network

Tesla's network has more than 2,200 sites with more than 25,600 ports, about 11 plugs per site on average, through early June.

The pace of growth of Tesla's network is unclear after CEO Elon Musk fired the automaker's 500-person charging team in May. Some charging experts have been hired back since. Musk said Tesla will install thousands of chargers this year, but a Tesla global supply manager asked contractors and suppliers to hold off on newly awarded construction projects and stop material purchases, according to a Reuters report.

Tesla's chargers are significantly more reliable than competitors, according to first-quarter data from J.D. Power.

About 20 percent of EV drivers visiting non-Tesla public ports in the first quarter were unable to charge their vehicle compared with 5 percent of Tesla drivers using the Tesla Supercharger network.

Laurence Iliff contributed to this report.

HANNAH LUTZ

Tesla Superchargers, at a Meijer store in Detroit, are much more reliable than rival networks, according to J.D. Power.

Shuttle policy makes for more customer choice

Dealership group's stores collaborate

A New England dealership group shuttles used cars among its stores to provide consumers with more choice and can enlist employees to bring a vehicle to a potential buyer in its network.

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BEST PRACTICES

As DCD Automotive Holdings' dealership footprint has grown so has its ability to offer a selection of used vehicles more widely.

The New England group shares its pool of used-vehicle inventory among its 31 dealerships. In recent years, the company has honed how it transports those used vehicles to potential customers for inspection and purchase — even if the buyer is in a different state.

Hanlon: Great for extra money

"One day we woke up and said, 'Geez, we've got 1,800 used cars between all of our stores. What would happen if we advertised them at every location rather than just the cars that that car dealership stocks?' " said Shawn Hanlon, president of the company's New Hampshire and Vermont operations.

The practice predates the pandemic but has become more established as DCD Automotive, of Norwood, Mass. — operating under the dealership name Nucar — has acquired more stores in the region, Hanlon told Automotive News.

In the process of standardizing its used-vehicle operations, the group realized would-be customers might have interest in not-spoken-for vehicles at other Nucar dealerships — not just those at the store closest to them, Hanlon said. When the company tested combining used-vehicle inventory on its websites, it began getting leads, he added.

"We would start to see traffic and once we got the traffic, we started to build a process to say, 'OK, how do we work this?' " he said.

Offering a would-be customer the option to have the vehicle brought to them — whether locally or from out of state — rather than the buyer driving to get it themselves was crucial, Hanlon said.

Delivery operation

DCD Automotive Holdings has 26 dealerships in six states: New Hampshire, Vermont, Pennsylvania, Massachusetts, Rhode Island and Delaware. Each dealership keeps a list of couriers who can make used-vehicle delivery runs, Hanlon said.

Available couriers can be dispatched to retrieve the desired vehicle and drive it to the dealership closest to the interested customer. All are part-time employees — not independent contractors — and many of them are recently retired, Hanlon said.

"They're looking for a side income or to get out of the house," he said. "This is a great supplement to their Social Security, or for somebody that needs a little extra money to make everything work in the household. Or it's a way for someone to get out of the house, do something each day to kind of fulfill themselves."

JOSH ELLIS

Driver Robert Currier is about to get behind the wheel to transport a used car from Nucar's dealership in Tilton, N.H., to the group's store in Plymouth, N.H.

Those employees may handle other transportation services as well, such as when new vehicles need to be swapped between dealerships or a customer vehicle needs to be picked up for service work. The number of employees used depends on the size of the store, Hanlon said.

"Our biggest store in Tilton probably has a roster of 35 of those people," Hanlon said, referring to one of the group's dealerships in New Hampshire. "Some other stores maybe have 10 that they call upon."

The goal is to ensure a high probability the customer purchases the vehicle once it's delivered. Typically, customers interested in that delivery are "probably" going to buy, Hanlon said. "Our success rate runs in the 90th percentile," he said. "We bring a car up, 90 percent of the time the customers are buying it."

Hanlon oversees seven dealerships, and said he has between 15 and 20 sales per month per location that result from the delivery service. He said Nucar doesn't charge a fee for transporting an unpurchased used vehicle to a potential buyer's local Nucar dealership if the travel distance is under 350 miles. For trips longer than 350 miles, a flat fee of $500 is assessed, he said.

A wider reach

The overall benefit of sharing inventory among Nucar dealerships is buyers' choices aren't as limited as they would be if they were only browsing at a single store, Hanlon said.

If a customer is interested in purchasing a used Toyota RAV4, they could pick from 75 of them listed for sale on the Nucar website. A single-point Ford dealership near them probably doesn't have that sort of selection, he said.

"That's really worked well for us — by opening up the market to the consumer and making it easy for them to transact on the car," Hanlon said.

Nucar Pre-Owned Superstore Gorham in New Hampshire sells a fair amount of used vehicles through the program because there are not as many cars and trucks available in its rural market, Hanlon said.

"We bring [vehicles] to them," he added.

Venture capital stalls on mobility investments

WIKIMEDIA COMMONS

IM Motors of Shanghai was an outlier, raising $1.1 billion in an early-stage round for a mass-produced passenger car with a solid-state battery.

EV startup struggles make for a tough sell, PitchBook finds

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Investment in mobility technology in the first quarter of 2024 slowed.

The number of deals fell from both the quarter and year prior, according to a PitchBook analysis of global venture capital investment.

Such investment is down generally, driven in part by a high interest-rate environment. But the mobility space in particular is a tough sell to venture capitalists, who have seen startups struggle as electric vehicle sales growth slows and automakers tire of heavy spending on autonomous vehicles.

It's hard to get "excited about putting money into these when we've seen so many high-profile EV companies that went public ... come plummeting down," said Jonathan Geurkink, a senior emerging technology analyst at PitchBook. "Looking at that exit side of the equation, how are these things going to end up?"

EV startups including Lordstown Motors and Arrival have filed for bankruptcy. Fisker, Canoo and Mullen Automotive have acknowledged in Securities and Exchange Commission filings that they might not survive. In January, General Motors announced it would cut $1 billion of its spending on its robotaxi subsidiary, Cruise. Motional, an autonomous vehicle startup with significant investment from Hyundai, delayed its commercial robotaxi plans in May.

PitchBook tallied 173 venture capital deals in the first quarter, roughly 24 percent less than the final quarter of 2023 and about 30 percent less than the year-earlier quarter. The total value of those deals in the segment was $6 billion, a 19 percent drop from the prior quarter but a nearly 6 percent increase from the year prior.

Geurkink attributed that modest growth to one deal that skewed the data — IM Motors of Shanghai said it would manufacture the first mass-produced passenger car with a solid-state battery and raised $1.1 billion in an early-stage round.

PitchBook tallied 173 deals in the first quarter, roughly 24 percent less than the final quarter of 2023 and 30 percent less than the year-earlier quarter.

That round was led by Bank of China Financial Assets Investment and included investments by Agricultural Bank of China, CATL, Momenta and the government-backed Lingang Group.

IM Motors is the luxury brand of state-owned automaker SAIC.

While overall venture capital investment in mobility was down, EVs were the segment with the largest number of deals for the quarter — 35 — and the highest deal value, $2.6 billion.

That segment included both the IM Motors deal and a $704 million late-stage round for EV battery manufacturer and materials recycler Ascend Elements.

Geurkink also highlighted investor interest in European EV charging companies. For example, French charging company Electra raised more than $333 billion in January.

Venture capital firms and other investors have watched warily as the mobility sector's heyday appears to be ending. The boom in special purpose acquisition company deals in 2020 and 2021 flooded the market with prerevenue companies, many of which are now struggling.

The AV segment, which was bolstered by intense interest from traditional automakers such as Ford and GM and tech giants including Google, has suffered mightily after high-profile safety issues and unfriendly macro conditions.

All of that has given venture capital investors pause.

There's "just a little more caution in overall tone," said Geurkink.

CARPLAY

continued from Page 6

in-car experience to tech companies. Vehicles are becoming more software-enabled, so the infotainment center is a crucial touch point for drivers and a visual signal of differentiation. Automakers see the interface as a portal for selling car owners profitable subscription services and cementing brand recognition.

CarPlay's dominance in particular has received extra scrutiny.

The U.S. Department of Justice has homed in on what it says are Apple's anticompetitive practices using CarPlay. The next generation of the phone-projection system is capable of extending from the central infotainment screen across additional displays, like the instrument cluster.

In an antitrust complaint brought against Apple in March, the Justice department said that would force an "iPhone-centric experience" on drivers, though industry experts say there is more to the story. Automakers would have to agree to extend the arm of Apple CarPlay and create the technical conditions to make it possible.

Aston Martin said the next generation of CarPlay, including displays across multiple interfaces, will be compatible with some systems this year. Porsche is also featuring the new version of Apple CarPlay in some upcoming models. Other automakers, meanwhile, are trying to wrest back control of the infotainment experience.

Screen time

Rivian Automotive Inc. and Tesla Inc. support neither Apple CarPlay nor Android Auto. Initial research from Rivian suggested 70 percent of its customers wanted CarPlay in their vehicles. That declined to 30 percent after customers familiarized themselves with the company's native system, according to Bloomberg.

GM believes it can follow suit.

"The infotainment experience should feel custom to each driver and vehicle," said Anna Yu, a GM spokesperson. "We're moving toward a native system that easily syncs with the customers' phone of choice, and enables deeper integration with vehicle controls and status, alongside features like voice assistant, navigation, music, texts, calls, apps and more."

Indeed, native infotainment systems have improved significantly in recent years.

"Automakers have learned a lot about interface design" over the last decade, and "systems have gotten vastly better than they were," said Sam Abuelsamid, principal analyst for e-mobility at Guidehouse Insights.

But there are hurdles to consumers adopting native infotainment systems. In a separate question on their survey, McKinsey researchers asked what car owners would do if smartphone integration was no longer available in their current vehicles.

Only 35 percent of global respondents said they would switch to using a native system provided by the automaker. Fifty-two percent said they would only use their smartphones, while 14 percent said they would switch to a different car brand for their next purchase.

In the U.S., only 28 percent of respondents said they would switch to the native system. More than 60 percent said they would keep using their smartphones, while 10 percent said they would switch brands if smartphone integration were cut out.

Changing minds

Automakers believe they can win customers over with their native infotainment systems, even if those customers first express interest in Apple CarPlay and Android Auto.

Abuelsamid agreed. He said just as drivers got used to smartphone projection, they will get used to native infotainment systems. Once consumers "try out these native systems without projection, many of those" skeptics "will probably change their mind," he said.

McKinsey issued its biennial Mobility Consumer Pulse study on June 12. The consulting firm surveyed more than 30,000 consumers in 15 countries that account for more than 80 percent of global vehicle sales.

Among other insights from the survey, nearly half of U.S. EV owners said they're likely to revert to an ICE vehicle for their next purchase.

TESLA

continued from Page 6

cut of the profits.

In 2019, Musk famously predicted that Tesla would have a fleet of 1 million robotaxis on the road in 2020 by using owner cars for the fleet. That didn't happen, nor did his annual predictions that autonomy was imminent. But Musk now says progress is accelerating. Tesla plans to unveil a dedicated "cybercab" Aug. 8.

"If you just plot the points on the curve of how well autonomy is progressing — and just believe the curve — it's heading toward unsupervised Full Self-Driving very quickly, at an exponential pace," Musk said June 13. "No question whatsoever that it will far exceed human safety," he said, referring to human-driven cars.

Musk predicted Tesla's market valuation will grow from about $585 billion currently to more than $5 trillion by 2029, based on vehicle autonomy alone. Musk said he agreed with a June 12 report by investment firm ARK Invest that forecasts Tesla's share price at $2,600 in five years from just over $187 at the June 17 market close.

Optimus robots

If the prospect of Tesla's market value rising tenfold is mind-blowing, Musk said, "it actually gets way crazier when you think about the Optimus robot." Tesla announced Optimus development at a 2021 event and the company has given brief updates since then, showing the robot walking and sorting objects with its hands.

Musk told shareholders June 13 that Optimus "is intended to be able to do anything you want it to do. To be your companion, it can be at your house, it can sort of babysit your kids. It can teach them — a great teacher — it can do factory stuff."

Musk said the overall market for humanoid robots from all companies could be a billion per year. With a 10 percent share, Tesla could sell 100 million units annually and bring in $1 trillion in profit. Tesla's market value could reach $20 trillion from Optimus alone, plus $5 billion to $10 billion from autonomous vehicles, he said.

Musk didn't give a timeline for Optimus reaching volume production. Several thousand are expected to be working in Tesla factories next year, he said, "and things are going to scale up very rapidly from there." Musk said the humanoid robot population could reach 20 billion or more.

Cybertruck ramp

Tesla launched the highly anticipated electric pickup in November. Some crowd-sourced estimates put customer reservations for the truck, first shown in 2019, at more than a million. Tesla started production in Austin with the limited-edition Foundation Series, starting at just over $100,000 including shipping.

With such a huge backlog, reservation holders have been eager to find out how fast the production ramp is going and when Tesla will start making lower-cost versions. The Foundation Series models come with a $20,000 premium over the standard two-motor version and the top three-motor Cyberbeast variant.

At the shareholder event, Musk said that the Cybertruck had hit record weekly production of 1,300 units. "A lot of people were saying the Cybertruck is like fake. It's never going to come out. And now we're shipping a lot of Cybertrucks," Musk said.

Musk said Tesla would start making regular versions of the Cybertruck next quarter. His response brought cheers from fans at the shareholder meeting. Musk also said the pickup would need design revisions for China and Europe and that would come only after reaching volume production and making cost reductions.

Trump calling

Musk said he receives phone calls from former President Donald Trump. Musk was responding to a shareholder question about why Trump seems to have toned down his criticism of EVs recently.

"I have had some conversations with him, and he does call me out of the blue for no reason," Musk said. "I don't know why, but he does. He's very nice when he calls."

Musk said he's told Trump that EVs are good for the future and that Trump may see electric vehicles in a more positive light after talking to his Tesla-owning friends. "I think actually a lot of his friends now have Teslas and they will love it and he's a huge fan of the Cybertruck, so I think those may be contributing factors," Musk said.

The Wall Street Journal reported May 29 that Trump is considering Musk as a policy adviser if the Republican presidential candidate returns to the White House. Musk said May 30 that he hasn't talked to Trump about a potential advisory role.

TOYODA

continued from Page 4

meeting as candid feedback from institutional investors in accordance with the voting standards of each investment manager regarding various background such as recent certification problems, the independence of the board of directors, and cross-shareholding, all in relation to Toyota Motor Corp., as an entity," Toyota said in its statement. "Moving forward, we will continue to value dialogue with our shareholders, sincerely taking their feedback to heart and addressing it."

In its statement, Toyota said it has been working to improve corporate governance and the independence of the board of directors. In recent years, it added more independent members.

The company also said it is trimming the thicket of cross-shareholdings it has with other group companies. Institutional investors have long seen these relationships as tying up valuable capital. Toyota began a selldown last year, raising some $2 billion from a sale of shares in Toyota Group megasupplier Denso Corp.

'Is Toyota OK?'

Questions at the shareholders meeting, attended by 4,656 mostly mom-and-pop retail investors, ranged from the ongoing testing misconduct and board oversight to Toyota's strategy for autonomous driving and approach to carbon neutrality.

One shareholder said he was "astounded by the news" this month that Toyota Motor had been tripped up in the same kind of misconduct that embroiled other Toyota Group companies.

"Is Toyota OK," he asked. "Is the internal control and government not functioning?"

The misconduct, deemed "fraudulent acts" by Japanese regulators, stretched back years and forced the companies to suspend production and sales, while also undermining public trust.

CEO Koji Sato, chairing the event for the first time since taking office last year, apologized, saying the problems "caused great concern on the part of our shareholders and customers."

Eight of the 10 people nominated to the board — with the exception of Toyoda and Vice Chairman Shigeru Hayakawa — cruised by with approval rates in the 90s. Sato had backing of 95.4 percent. Hayakawa, a longtime Toyoda aid, scored 89.5 percent.

Investor blowback

Ahead of the June 18 shareholder gathering, two of the largest U.S. pension funds voted against the reappointment of Toyoda as chairman.

The California Public Employees' Retirement System and the Office of the New York City Comptroller also voted for the shareholder proposal to bolster environmental disclosures.

Michael Garland, the New York assistant comptroller for corporate governance, echoed growing concern about testing and certification problems being rooted in corporate culture.

"Our vote against Mr. Toyoda was driven by a pattern of safety and compliance concerns. Setting a tone at the top is critical," Garland said in an emailed statement. "As investors, we see a lack of independent board oversight as a major governance issue, particularly as the company works to change its culture in response to mounting safety and regulatory violations."

The California Public Employees' Retirement System voted against every company executive nominated for reappointment to the board — six of the 10 nominations. In addition to rejecting Toyoda, they voted against Hayakawa, Sato, Chief Technology Officer Hiroki Nakajima, CFO Yoichi Miyazaki and global design chief Simon Humphries, one of two non-Japanese directors.

"Regarding the governance, we are currently strengthening our culture, organization, and structures as a united group," Toyota said in its statement. "To foster a workplace where everyone is committed to doing the right job for 'making ever-better cars,' a core part of Toyota's corporate culture, we will persistently work on creating the right environment."

BMW

continued from Page 3

BMW said the 48-volt mild hybrid technology in the form of a crankshaft-mounted starter generator helps deliver an instantaneous response. An electric motor integrated into the eight-speed transmission can supplement engine power or ease the load, depending on the driving situation.

"BMW's addition of mild hybridization brings the tamest form of electrification to the lineup, risking nothing to alienate existing and future customers, but also leaving room for a future PHEV," Drury said.

BMW said the lower weight, increased rigidity and a wider rear track make the new X3 more agile and stable when handling corners.

The optional M Sport suspension on the X3 30 xDrive includes sport steering and M Sport brakes. The optional M Adaptive suspension sharpens the agility of the new BMW X3 while improving ride comfort.

Bigger, bolder

The new-gen BMW X3 is 1.3 inches longer than its predecessor at 187.2 inches, while its width has increased by 1.1 inches to 75.6 inches. A 1-inch height reduction combined with wider tracks gives the crossover a sportier look.

The X3 carries the brand's more prominent signature kidney grille that has vertically and diagonally arranged bars.

Daytime driving lights, side marker lights, and turn signal indicators in the LED headlights bracket the grille in an L-shaped assembly.

Bold side skirts and a roofline extending deep into the rear emphasize the new X3's sporty silhouette. Prominently flared wheel arches accentuate the vehicle's broad rear.

A long roof spoiler and adjoining side air deflectors border the rear window. The X3 30 xDrive model sports exhaust tailpipes integrated into the rear apron.

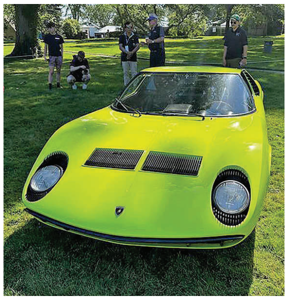
Digital cockpit

The X3 receives a digital upgrade, a redesigned flat-bottomed steering wheel and a new gear selector toggle.

The cockpit is anchored by a curved display, pairing a 10.25-inch instrument cluster and a 10.7-inch central information display.

The display runs BMW's iDrive 9 infotainment system with the automaker's latest operating system, which features a redesigned home screen and a smartphone-like menu.

The new X3 is equipped with semiautomated driving and parking systems.



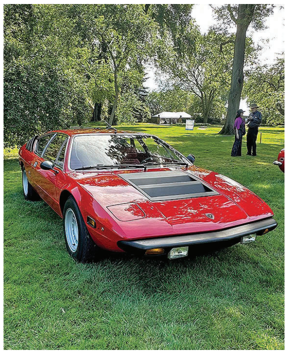
A Marcello Gandini-created Lamborghini Miura captured top honors in its class.

This 1951 GM LeSabre concept car features aircraft-inspired design cues.

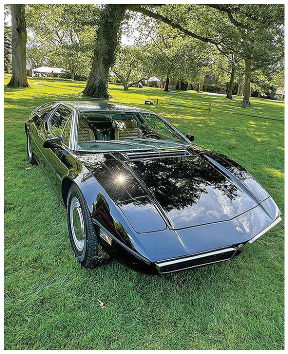
LAURA BURSTEIN PHOTOS

The class of wedgy supercars featured this 1974 Sergio Pininfarina-designed Ferrari Dino 246 GTS.

This Jaguar D-Type took Grand Marshal honors at EyesOn Design, held annually on the grounds of the Ford House.



Gandini also designed this 1975 Lamborghini Urraco P250.



A Maserati Bora on display was one of several designs by Giorgetto Giugiaro.

This 1953 Chrysler Special, one of the automaker's first show cars penned by Virgil Exner, was built by Ghia.

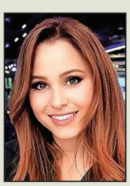
COMMENT

EyesOn Design charity car show demonstrates why designers will never go fully digital

Laura Burstein

Each Father's Day, they flock to the lush grounds and ivy-covered walls that Edsel Ford once called home. Sporting blue blazers and Panama hats, judges for the EyesOn Design show are a who's who of the North American auto industry. Old friends greet one another on the shores of Lake St. Clair in Grosse Pointe Shores, Mich., with firm handshakes, hearty pats on the back and lots of laughter.

"It's amazing the level of talent we attract to EyesOn Design," said chief judge Glen Durmisevich, a veteran of General Motors and Navistar. "We have some of the best and brightest designers who look forward every year to coming together for a good cause."



Laura Burstein is a design journalist based in Los Angeles. This was her second year judging EyesOn Design.

Founded in 1988 by the design heads of Ford, GM and Chrysler, EyesOn Design is a fundraiser that showcases some of history's most beautiful cars on the grounds of Ford House, the former estate of Henry Ford's only child. Unlike traditional concours events, entrants are judged solely on aesthetics, without any of the stuffy scrutiny over things like paint condition, panel gaps, and period-correct nuts and bolts. Proceeds benefit Detroit Institute of Ophthalmology, an organization committed to advancing research, education and treatment for people who are visually impaired.

I had the honor of serving as a judge at this year's event. Walking into the judges' room first thing in the morning felt like crashing a fraternity reunion where fierce rivals (on paper) sit shoulder to shoulder swapping war stories. It's not just a multibrand affair, but a multigenerational one, where freshly recruited design school graduates mingle with long-retired icons. In one corner, Stellantis design boss Ralph Gilles chatted with retired Corvette and Camaro designer Tom Peters. In another, former Art Center College of Design transportation chair Stewart Reed looked over the shoulder of Dave Marek, Acura's executive creative director, as they watched the final minutes of the 24 Hours of Le Mans on a screen. Near the front, a high school student rolled out a sketch before a group of Ford designers, looking for advice.

COURTESY OF LAURA BURSTEIN

Dave Marek, left, executive creative director for Acura, design journalist Laura Burstein and retired General Motors designer Ben Salvador served as judges for wedgy supercars from the '60s and '70s.

Design masters

EyesOn Design is more than a social gathering — it raises funds via ticket sales and corporate sponsorships to benefit the ophthalmology institute and its mission. Every judge is a volunteer, donating time and expertise to give back to the community. "The cause is so incredible, and the fact that it's on Father's Day is just adding that layer of sweetness," Gilles tells me. "Who's going to say no to looking at cars?"

On the grounds were icons from across eras, from Porsches to pony cars. This year's theme, Design Masters: A Lifetime of Achievement, featured vehicles penned by past EyesOn Design lifetime achievement award winners, including this year's honoree Gordon Murray, known for his Formula One designs and the McLaren road car of the 1990s. Concepts on loan from GM included the 16-cylinder Cadillac Sixteen concept and Buick Y-Job, built by GM's Harley Earl and recognized as the industry's first concept car.

Judges were divided into groups. My group was assigned to appraise a heart-pounding class of wedgy supercars from the 1960s and '70s, such as Marcello Gandini's Lamborghini Miura in lime green, Sergio Pininfarina's Ferrari Dino and a number of creations from Giorgetto Giugiaro, including the Lotus Esprit, Maserati Bora and BMW M1. It was tough, but the Miura prevailed.

"Design has always been the differentiator, and I think it's still what makes people choose a car," said Moray Callum, the erstwhile design director for Ford, and Mazda before that. "They may tell you otherwise, but if they don't like the looks of it, they're not going to buy it."

A history book

Good design also transcends sight. There was a group of judges comprising visually impaired people, part of a program established by the Detroit ophthalmologists. Clad in gloves, one judge ran her hands over the voluptuous curves of the Dino. "One thing's for sure," she said, "I can tell it's much more expensive than a Chevy."

Another class of cars was devoted to interior design, an element often overlooked at a show like this. "Something I learned today judging these interiors is that each generation of car design reflects the stories of the time and place in which they were created," said Joann Jung, director of interior design for Lucid Motors. "For example, during the Depression, the designs were softer and showed more optimism. I felt like today, I was looking inside a history book."

While looking to the past can inform and inspire, designers — along with the rest of the industry — are facing mounting pressures. Demands on budgets, packaging, efficiency, aerodynamics and safety leave little room to revel in art for art's sake. China is moving quickly, pushing to develop vehicles in as little as 24 months versus the typical three to four years. Artificial intelligence was a hot topic among the judges, mostly around how it should — and especially should not — be used in the studio.

But despite these times of digital tools, Zoom meetings and design reviews across continents, EyesOn Design reminds us that no matter how advanced our world becomes, there is no substitute for clinking glasses face to face and laying eyes — and hands — on a beautiful design in the metal.

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Brand-by-brand first-quarter leasing breakdown

Leasing plummeted industrywide in the U.S. during the COVID-19 pandemic. Most brands were below prepandemic levels in the 1st quarter of this year, but a few had recovered, including Jeep, Volkswagen and Volvo. Here are the percentages of brands' new-vehicle transactions that were leases in the 1st quarters of 2019-24.

Acura

2019	68.3%
2020	59.01%
2021	60.38%
2022	45.24%
2023	42.6%
2024	62.87%

Audi

2019	56.94%
2020	65.72%
2021	60.63%
2022	39.46%
2023	49.86%
2024	67.12%

Buick

2019	37.26%
2020	41.01%
2021	38.19%
2022	31.61%
2023	40.15%
2024	39.53%

BMW

2019	66.41%
2020	69.68%
2021	64.32%
2022	45.64%
2023	41.55%
2024	55.29%

Cadillac

2019	57.64%
2020	57.99%
2021	52.34%
2022	39.76%
2023	45.22%
2024	43.88%

Chevrolet

2019	28.75%
2020	28.37%
2021	26.08%
2022	23.71%
2023	20.91%
2024	22.68%

Chrysler

2019	35.3%
2020	25.51%
2021	16.67%
2022	20.6%
2023	10.58%
2024	19.12%

Dodge

2019	21.33%
2020	16.36%
2021	15.8%
2022	16.5%
2023	15.67%
2024	13.59%

Ford

2019	28.41%
2020	26.48%
2021	19.75%
2022	18.94%
2023	15.95%
2024	17.59%

Genesis

2019	63.32%
2020	67.39%
2021	40.31%
2022	24.06%
2023	22.63%
2024	40.04%

GMC

2019	25.17%
2020	25.92%
2021	21.38%
2022	17.73%
2023	17.82%
2024	18.04%

Honda

2019	39.47%
2020	41.32%
2021	37.04%
2022	31.81%
2023	28.48%
2024	34.87%

Hyundai

2019	32.29%
2020	31.95%
2021	27.63%
2022	22.22%
2023	16.4%
2024	26.32%

Infiniti

2019	77.02%
2020	74.78%
2021	70.65%
2022	55.35%
2023	47.75%
2024	66.06%

Jaguar

2019	70.59%
2020	76.5%
2021	66.05%
2022	33.31%
2023	18.33%
2024	30.14%

Jeep

2019	41.89%
2020	42.75%
2021	38%
2022	34.47%
2023	39.87%
2024	43.38%

GETTY IMAGES

Kia

2019	33.94%
2020	31.34%
2021	26.69%
2022	24.25%
2023	16.74%
2024	25.12%

Land Rover

2019	69.85%
2020	73.61%
2021	59.32%
2022	36.78%
2023	25.02%
2024	32.12%

Lexus

2019	70.09%
2020	65.8%
2021	62.98%
2022	35.99%
2023	29.71%
2024	40.05%

Lincoln

2019	63.59%
2020	56.18%
2021	53.35%
2022	41.44%
2023	40.42%
2024	44.24%

Mazda

2019	45.44%
2020	48.75%
2021	43.33%
2022	35.11%
2023	35.83%
2024	31.9%

Mercedes-Benz

2019	71.88%
2020	69.98%
2021	59.27%
2022	40.47%
2023	40.5%
2024	53.64%

Mini

2019	58.32%
2020	58.98%
2021	55.16%
2022	40.8%
2023	29.71%
2024	44.74%

Nissan

2019	33.94%
2020	35.59%
2021	32.92%
2022	23.89%
2023	34.05%
2024	31.62%

Polestar*

2021	54.73%
2022	55.67%
2023	65.17%
2024	93.58%

*U.S. Polestar sales began in late 2020.

Porsche

2019	54.38%
2020	54.53%
2021	49.6%
2022	38.31%
2023	40.88%
2024	51.75%

Ram

2019	25.2%
2020	25.8%
2021	21.02%
2022	17.16%
2023	21.33%
2024	20.63%

Subaru

2019	32.62%
2020	32.1%
2021	25.6%
2022	24.62%
2023	26.03%
2024	31.1%

Tesla

2019	9.18%
2020	24.89%
2021	22.81%
2022	16.02%
2023	12.75%
2024	29.95%

Toyota

2019	27.06%
2020	26.3%
2021	28.14%
2022	16.63%
2023	14.31%
2024	18.37%

Volkswagen

2019	47.03%
2020	44.27%
2021	45.16%
2022	37.22%
2023	26.76%
2024	48.52%

Volvo

2019	62.36%
2020	66.76%
2021	62.11%
2022	47.19%
2023	52.98%
2024	70.59%

Source: Experian

LEASING

continued from Page 1

checks — dried up the need for incentive programs, which had previously made leasing an attractive alternative to purchasing.

■ Interest rates, while historically low in 2021 in the immediate aftermath of the pandemic, began rising quickly beginning in March 2022 to slow down inflation and perhaps avert a recession. The increases made leasing more expensive, especially into 2022 and 2023.

■ Longtime lessees returning at that time found their vehicles were worth far more than prepandemic residual calculations had estimated, because of strong demand and constricted supply, allowing them to flip their own vehicles for a profit or buy them outright. And because there were few lease deals, many abandoned a subsequent lease in favor of a purchase.

"The impact really starts hitting in the third and fourth quarter of this year," said Melinda Zabritski, head of automotive financial insights for Experian.

The credit reporting agency tracks expected lease turn-ins, based on standard 36-month leases, by quarter. Nearly 2.1 million leased vehicles were expected to be returned in the first half of this year across the U.S. — including over 1.1 million in the quarter that ends this month — but then the quarterly numbers are expected to begin falling precipitously and not stop until the first quarter of 2026, Zabritski said. "We'll go from a million [lease turn-ins] a quarter down to 600,000, then into the 500,000s. It's really 2025 when we'll feel the biggest impact" from an industrywide volume standpoint.

Differences by automaker

At the automaker and brand levels, the effects won't be uniform.

Production interruptions and their resulting inventory shortages hit different automakers at different times. General Motors began suffering in the second half of 2021, cutting shifts and building vehicles without some components to get them out the factory door, while Toyota and other Asian automakers felt pain later, lasting well into 2023.

It was one of the main reasons the giant Japanese automaker was able to dethrone GM as the U.S. sales leader in 2021 — the first and only time in 90 years — and why a dearth of lease turn-ins will affect brands at varying points.

Consider Toyota Financial Services, Toyota's captive and the nation's largest auto lender. Leases made up a third of all its 1.4 million completed financing contracts in its 2020 fiscal year and only dropped to 27 percent of the 1.6 million contracts it executed in fiscal year 2022. But the following fiscal year, when Toyota was in the worst of its supply shortages, leases made up only 19 percent of the 1.4 million contracts it executed, according to the captive finance arm's annual reports.

That means that while GM dealers' supply of lease turn-ins will start contracting later in 2024, Toyota dealers are unlikely to feel the full weight of the leasing pullback until 2026.

It wasn't just inventory shortages that cut lease penetration rates. The Federal Reserve's interest rate hikes to fight inflation also contributed heavily, as did automaker pullbacks on incentive spending, Zabritski said.

"A majority of it was inventory [related], and then of course there was a little bit of volatility in the values market, to be able to estimate and forecast the residuals; if you get that wrong, you're in trouble," Zabritski said. "Manufacturers like leasing because you get higher loyalty rates, but at the same time, it's an incentive, and you run a little bit of a gamble with it" in terms of getting residuals wrong.

And while leasing levels have recovered, they haven't recovered evenly. For some brands, they've been artificially boosted by the Inflation Reduction Act of 2023, which subsidized leasing of plug-in hybrids and electric vehicles.

Leasing volatility

For most brands, the percentage of transactions that were leases plummeted after the COVID-19 pandemic began in 2020. Many are still below prepandemic levels, but some have recovered. Here is a sampling of the difference between 1st-quarter leasing rates this year and the same period in 2019.

	Q1 2024 VS. Q1 2019 (IN PERCENTAGE POINTS)
Tesla	▲20
Audi	▲10
Volvo	▲8.2
Volkswagen	▲1.5
Jeep	▲1.5
Subaru	▼1.5
Honda	▼4.6
Chevrolet	▼6.1
Toyota	▼8.7
Mercedes-Benz	▼18
Lexus	▼30

Source: Experian

CPO impact

While used-vehicle inventories overall have been constrained for some time, the coming contraction of lease turn-ins will have an especially broad impact across the used-vehicle spectrum.

"Three-year-old off-lease vehicles are the backbone of the used-car market," J.D. Power's Jominy said. "Even though we will still see [used-vehicle] prices fall because we're unwinding the COVID supply chain dynamics still in the industry, [the lack of lease turn-ins] is going to help support the bottom of the market, so we're not going back to where we were previously" in terms of used-car prices.

The most concentrated hit, however, is likely to come in dealers' highly profitable CPO operations, said Charlie Chesbrough, senior economist at Cox Automotive, where a restricted supply of lease turn-ins will translate directly into a shortage of vehicles to certify.

"The dealers love these things because the buyers love these things," said Chesbrough. "It's basically getting a taste of a new vehicle and at an affordable used price. The margins on CPO vehicles are particularly strong, and they sell more quickly" because most come with attractive offers from automakers' captive finance arms.

In addition, CPO vehicles drive revenue through inspection and reconditioning to a dealership's service and parts departments, and they promote brand loyalty among customers, Chesbrough said.

"That's why it's going to be hard for the next couple of years because these vehicles are going to be in such short supply," Chesbrough said.

Automakers have, of course, known this was coming. Some have expanded the scope of the vehicles that dealers are able to certify to include older model years, higher-mileage vehicles and, in some cases, even those of other makes.

"Many manufacturers — Subaru is one example — have been having to sort of 'create' off-lease vehicles, if you will, from any vehicle that was less than 6 model years old. They had to expand the basket of vehicles that they would consider for certification" because of the Japanese brand's extended period of lean inventories, Chesbrough said. He said other brands will have to learn the same lesson, at least temporarily.

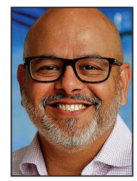
"Off-lease vehicles were thought to be the natural CPO-type vehicle, but because there's going to be a short supply, we're going to have to see more CPO-type vehicles created out of everything that's getting turned in to dealers, not just the off-lease," Chesbrough said.

Farming lessons

Yet automakers and dealers need to be careful that, in their eagerness to expand the kinds of vehicles they can certify, they don't end up diluting the value of certification or weakening their own brand, said Raghu Iyengar, director of CPO and remarketing for the Volkswagen brand in the U.S. The German mass-market brand sells 97 percent of its off-lease vehicles through its dealership network and, when certified, those vehicles get offered to consumers with an additional 2-year/24,000-mile bumper-to-bumper warranty.

"What does CPO mean? It means the car was brought back to manufacturer standards, like a factory-refurbished Apple or Dyson product," Iyengar said.

He also said his team has been coaching VW dealers that the best place to find vehicles to certify is in their own service lane. The sales staff should comb through the coming days' appointments and look for opportunities where a customer has built up equity or may be facing a large bill that might make the difference between a service call and a sale. And that sale can add to the dealer's CPO inventory.



Iyengar: Look in the service lane to find CPO cars.

"Service to sales is a big focus for us," Iyengar said.

"There are pockets of very successful dealers who have built their entire used-car operations by not going anywhere else, just farming their service drive."

FISKER

continued from Page 4

partnership. He said in March that the talks had failed. Reuters reported that the unnamed automaker was Nissan. Fisker and Nissan had no comment on the report.

Fisker then slashed prices for the Ocean crossover in late March, cutting $24,000 off the sticker price of the top Extreme trim to $37,499 excluding shipping.

According to S&P Global Mobility, the Ocean had 2,561 U.S. registrations in the January-April period, the most recent data available. In 2023, the Ocean had 1,445 registrations.

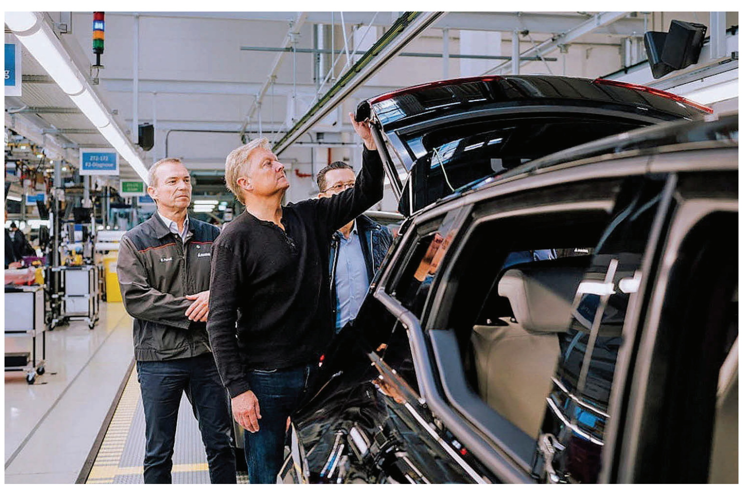
The Ocean was made by contract manufacturer Magna Steyr, a unit of Magna International Inc., in Graz, Austria, before Fisker suspended production in March to preserve its dwindling cash.

Fisker initially recruited six U.S. dealers after it shifted from a direct-sales model to a dealer model in January. It announced additional retailers in April and May.

Fisker Inc. was launched in 2016 by car designer Henrik Fisker and his wife, Geeta Gupta-Fisker, who is CFO. Henrik Fisker designed cars for BMW, Tesla and Aston Martin before trying his hand at automotive startups.

Fisker Inc. is the second car company founded by Henrik Fisker that ended in bankruptcy. His similarly named Fisker Automotive, which briefly made the Karma plug-in hybrid, filed for Chapter 11 in November 2013, months after he resigned from the company. In 2014, the startup's assets were sold.

Fisker announced his current startup in 2016 to compete with Tesla Inc. In 2020, Fisker Inc. went public through a reverse merger that valued it at $2.9 billion. Rather than build its own factories, the startup adopted an "asset-light" strategy using Magna Steyr to build the Ocean.



MAGNA STEYR

CEO Henrik Fisker inspects one of the first Oceans off the line at Magna Steyr's plant in Austria.

Software struggles

Fisker first presented the Ocean at the Los Angeles Auto Show in 2021. The crossover was designed to be affordable, with a sub-$40,000 sticker price for the base model and offering about 250 miles of driving range. The 2023 production model roughly met those goals, although base pricing fluctuated.

The automaker delivered its first Ocean to a customer in Denmark in May 2023 and made its first U.S. deliveries in Los Angeles in June 2023. The launch model, the Ocean One, had a sticker price just under $70,000 and 360 miles of estimated range, according to the EPA.

But the Ocean was sold with incomplete software, and the company struggled to push out updates. That led to preliminary probes by NHTSA for alleged safety issues, including braking concerns. In early April, NHTSA opened a new investigation for alleged door-latch problems.

The startup repeatedly cut its forecast for deliveries last year as it struggled with logistics issues. Ultimately, it reported 2023 production of more than 10,000 vehicles but deliveries of around 4,700.

In early January, Fisker said it would change its sales strategy from a direct-sales model to include franchised dealers in Europe, and to an all-dealer network in the U.S.

In late January, Henrik Fisker held an "open house" at the automaker's headquarters in Los Angeles for prospective dealers, showing them concepts of models that would fill out the lineup.

At an event in summer 2023, he had presented the Pear subcompact crossover alongside a concept for a midsize electric pickup, the Alaska.

Fisker Inc. said it was negotiating a contract manufacturing deal in the U.S. with Taiwan's Foxconn, formally known as Hon Hai Technology Group. A deal was never announced.

Trouble mounts

Fisker's financial losses and delivery issues came to a head in late February with its warning about its ability to continue as a going concern, meaning that it did not have sufficient resources to continue with its business plan over the next 12 months.

The Wall Street Journal reported in mid-March that Fisker Inc. had hired a financial adviser and a law firm to assist with a possible bankruptcy filing. The company did not comment directly on the report but did say in a statement that it was trying to raise capital in order to move forward with its business plan.

At the June 17 market close, Fisker's stock was down 99 percent compared to a year earlier. The stock was delisted from the New York Stock Exchange in March for failing to maintain a price above $1.

SUPPLIERS

continued from Page 1

That's the main issue suppliers are attempting to address, even as new-vehicle production stabilizes after years of pandemic ripple effects.

Sales gains

Indeed, parts and systems sales to automakers improved at many of the world's top suppliers year over year, data from this year's Automotive News ranking of the globe's biggest players found.

Germany-based Bosch Group remained the world's largest supplier, with global sales to automakers of $55.9 billion in 2023, up from $50.5 billion a year earlier. Likewise, Canada's Magna International, North America's biggest parts maker, reported sales of $42.8 billion, a gain of 13 percent from 2022.

Chinese EV battery producer Contemporary Amperex Technology Co. Ltd. surged into the top 5, with worldwide sales rising 23 percent from a year earlier as EV production grew. CATL supplies batteries to almost every major automaker in the world, and the company plans to continue expanding globally even amid increased EV sales uncertainty in North America and heightened geopolitical risks.

The average global sales of suppliers in this year's ranking rose about 9 percent from a year earlier. Thirty companies sold at least $10 billion of products to automakers in 2023, compared with 27 in 2022.

Suppliers found themselves with several notable tailwinds in 2023, many of which are extending into 2024. The impact of the yearslong microchip shortage on new-vehicle production, for example, had subsided dramatically when compared with the peak in 2021, helping to make automakers' production schedules more consistent and preventing costly downtime at supplier plants.

The improved sales to automakers for some suppliers might also be explained at least in part by changes to contracts they were able to secure. In 2023, many suppliers reported at least some success after years of pursuing more favorable pricing terms with their customers, hoping to raise prices to better account for raw materials, labor and other input costs that have increased in recent years.

Top suppliers to N. America

Ranked by sales of original equipment parts in 2023 (dollars in millions)

1. Magna International Inc.	$20,722 f
2. ZF North America Inc.	$13,968
3. Denso International America Inc.	$10,181 e
4. Robert Bosch	$9,613
5. Lear Corp.	$9,387
6. Continental Automotive Systems US Inc.	$7,761 e
7. Aptiv	$7,619
8. Flex-N-Gate	$7,481
9. Adient	$7,236 f
10. Panasonic Automotive Systems Co. of America	$7,123 f

e = estimate, f = fiscal year

Source: Automotive News Research & Data Center

Geopolitical risk

Still, suppliers do not find themselves completely in the clear from challenges. Geopolitical uncertainty and unrest, in particular, is one of many top concerns for suppliers.

"There's a lot of geopolitical pressure right now that has some of these larger companies saying, 'I don't think we should be buying in some of these regions anymore because we just don't know what's going to happen,' " said Laurie Harbour, partner at advisory firm Wipfli.

U.S. tariffs on China and heightened trade tensions between those countries have forced companies to reconsider where they source their parts, often opting for locations closer to where vehicles are built.

Meanwhile, federal incentives in the Inflation Reduction Act and bipartisan infrastructure law caused some automakers to further localize their supply chains, while also hoping to avoid logistical issues that arose during the pandemic.

Jason Miller, a professor of supply chain management at Michigan State University, said that a "substantial shift" is occurring in parts imports into the U.S. away from China, with more parts being sourced from Mexico, he said.

"We've also seen substantial increases in parts from India, Thailand and Vietnam," he said. "We have had a doubling on a nominal dollar basis in imports from those countries, but they're still very small in total percentage imports."

EV pressure

However, the shift to electrification might keep pressure on automakers to continue sourcing parts from low-cost jurisdictions, especially as global competition from Chinese automakers heats up and as they seek more EV interest from consumers worldwide.

Stellantis CEO Carlos Tavares said in May that it would be challenging for automakers to sell EVs at the same price as ICE models considering higher production costs for electric models, and that will force them to make cuts in their supply chains and logistics.

"You are going to see a huge shift of the supplier base. The sourcing will move from the Western world to the best-cost countries," he said, according to Reuters. "The EV race has become a cost-cutting race."

That complicates electrification strategies for suppliers.

Companies including Lear Corp., which ranks No. 10 on the Automotive News list, have closed plants in Europe and moved production to North Africa to reduce costs, and the company has invested heavily in automation and artificial intelligence.

"I think longer term, it is about survival," Lear CEO Ray Scott said on an April 30 call with investors.

Companies also find themselves grappling with how quickly and how much to invest in EV parts production considering heightened uncertainty about electrification adoption, particularly in North America, where the pace of EV sales growth slowed in late 2023 and into 2024.

It's a difficult balance to strike, as companies find themselves not wanting to be left behind in the EV transition as sales of gasoline-powered vehicles shrink, while also not wanting to be left with underutilized plants in the short term if EV sales targets don't pan out.

Top global suppliers

Ranked by sales of original equipment parts to automakers worldwide in 2023 (in millions)

1. Bosch Group	$55,890
2. ZF Friedrichshafen	$49,709 f
3. Magna International Inc.	$42,797 f
4. CATL	$41,365 fe
5. Denso Corp.	$40,723 fe
6. Hyundai Mobis	$36,964
7. Aisin Corp.	$32,698
8. Continental	$28,743 fe
9. Forvia	$28,310 fe
10. Lear Corp.	$23,467 f

f = fiscal year, fe = fiscal year estimate

Source: Automotive News Research & Data Center

Some of the world's largest suppliers, including Bosch, have invested in digital tools and rely more heavily than ever on detailed forecasts and conversations with customers to make sure they are making the right amount of parts.

"It has required closer partnerships," Bosch's Thomas said, "where you have legitimately more transparency into customer demand."

Compiling the list

The Automotive News Research & Data Center surveys hundreds of companies to determine the rankings.

The lists rank suppliers by their annual sales and exclude revenue from aftermarket businesses and any sales to companies other than automakers.

Companies that do not respond to the survey are still included if data is publicly available.

Suppliers interested in submitting forms for the 2025 edition of the list may email andatacenter@autonews.com.

AMAZON

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The initial pilot, announced at the Los Angeles Auto Show, was limited to a select group of 18 dealers in major markets, including Los Angeles, Atlanta, New York and Denver, using Amazon employees residing in those regions.

In February, Hyundai Motor North America CEO Jose Muñoz said the automaker completed its first vehicle delivery, a 2024 Hyundai Santa Fe, to an Amazon employee in Seattle, where the retailer is headquartered.

Hyundai has declined to provide sales data beyond the first delivery.

'Beta phase'

The response from customers and dealers participating in the "beta phase" has been positive, an Amazon spokesperson said.

"Working with customers and our dealer partners to build the shopping experience has helped us identify and understand complex technical issues that arise with completing a vehicle sale totally online," the spokesperson said. "We will continue to test a range of features through the beta as we refine the shopping experience in preparation for general availability later this year."

Amazon also said it was continuing to "add new dealers to the beta," and, in addition to adding employees, it will be expanding its "beta metros."

The company did not provide further details on its plan to include dealers beyond the initial 18.

According to a dealer who asked not to be identified, Hyundai and Amazon are in the process of adding dealers and are planning to go live with an expanded pilot July 1.

Amazon has selected a digital retailing tool that will facilitate shopping and the purchase of a vehicle from a Hyundai dealer, he said.

He believes there will be an activation fee as well as a monthly subscription fee but says dealers in the beta phase will have fees waived through the end of the year.

The tool, which the dealer described as a "robust and well built-out platform" will be able to meet Amazon's stringent criteria to deliver a "premium and outstanding shopping experience."

Unanswered questions

Don Hall, president of the Virginia Automobile Dealers Association, who was on one of the calls, told Automotive News there are "more unanswered questions than not."

One is how Amazon will facilitate trade-ins. Another is leasing.

"We are at a unique position in the history of the auto industry that trade-ins matter a lot to dealers. They are dying for good quality used-car inventory," Hall said.

"We don't want to see this car sold off to outside folks who sell used cars online. It's not a small point, it's a big point," he said.

According to Amazon, a trade-in feature is still under development and will be available later in the year.

Hall also said there is currently no leasing program available — only cash purchases and financing through Hyundai Capital — and that buyers can use their credit cards for the down payment.

Accepting credit cards as a form of payment is a "slippery slope," said Hall, who sees it as a sign some buyers could be taking on too much debt.

Hyundai has said it will use its own captive at the onset of the initiative, which could help consumers find competitive financing offers and incentives, but it's likely that using other lenders will be possible once the platform matures.

Concerns

Two of the biggest concerns among dealers are how Amazon will deal with controlling vehicle prices and whether the online retailer will use consumer data to sell ancillary products that other dealers offer, such as running boards, tow hitches and other accessories.

One dealer who asked not to be identified said even if Hyundai implements a restriction against dealers listing their inventory on Amazon below a minimum advertised price, policing the policy will require diligence.

If a noncompliant dealer broke the rules and listed a vehicle below the pricing threshold, it could create a race to the bottom, he said.

That type of "pricing chaos" could also be a catalyst for consumers to use a low price on Amazon as a point of negotiation at other dealerships, he said.

And determining whose customer it is after the vehicle purchase also will be tricky, he said — meaning is it Amazon or the selling dealers' customer?

Amazon has millions of customers registered in its Parts & Accessories department, and third-party merchants will now become competition for the dealerships.

"Some of those companies are working out of a garage and a shipping container," the dealer said.

"They don't have the $10 million or $15 million investment in a facility and $1 million per month in employment. They're just drop shipping."

HYUNDAI

continued from Page 4

on the line is a significant change for Hyundai, he said.

2. Ownership and management

Hyundai wants to restrict any changes to the dealership owner and manager structure without manufacturer approval. Conceptually, it's understandable, McRory said. But he argues that the net the automaker is casting is too wide.

The requirement will prevent family dealerships from succession planning that passes ownership to family members, a part of typical tax and estate planning. "It covers a lot of normal things that family businesses do to make sure that they're not paying unnecessary taxes at the end of the day," McRory said.

Families suddenly could find themselves at the "pointy end of a termination proceeding" for just doing end-of-year tax planning.

3. Right of first refusal

Hyundai wants to approve the buyer in cases where a dealer is looking to sell a store. If the factory doesn't approve the proposed buyer, it can exercise the right of first refusal, and then redirect the sale to its own preferred buyer. "From a manufacturer's perspective, they want control of their own network and to make sure the people running their franchises are who they want," McRory said.

But it's a nuanced topic, and different scenarios can make what Hyundai is seeking unlawful.

The issue in today's world of large dealership groups, McRory said, is what happens when a multifranchise dealer wants to sell five stores and only Hyundai wants to exercise its right of first refusal. "The addendum tilts the balance in favor of Hyundai and almost makes it a breach of the agreement to even submit a buy-sell that includes more than one franchise," he said.

"There's been a fight over how that right can be exercised in this context, and it varies by state," McRory added. "In Florida, right of first refusals are basically illegal."

Another hurdle will be separating assets in the case of a group of dealerships being sold. McRory said it would not be unreasonable for Hyundai to want to know the price, but in many cases not every dealership is a freestanding operation. Dealerships may share a property or a service department.

"You can't unscramble an egg," he said. "If the manufacturer allowed the egg to be scrambled, they can't force the dealer to unscramble it when they try to sell the dealership."

CDK

continued from Page 1

without the systems.

CDK had some good news in a June 21 update sent to auto retailers, noting its CDK Phones had resumed operation along with its Digital Retail and Payroll Plus technology — save for some restrictions and disabled access from some integrated third-party software partners. It remained to be seen if the partial restoration would stick. CDK rebooted much of its software on June 19 only to have to take it down the next day after another attack.

A return to normalcy could take awhile. CDK, the dealership management system market leader, said June 20 that its shutdown after the second attack could idle its software "for several days" before the company will turn it back on.

In the short term, thousands of dealerships in the U.S. and Canada have been scrambling to adapt, resorting to paper and pen and hoping customers remain patient before their CDK dealership management system platforms can be fully brought back online. Dealerships pursued many workarounds for their finance and insurance and other vital functions.

Dealership financial impact likely

As of June 21, the financial impact on dealerships that use CDK was not clear. CDK, which was taken private at the end of 2022, had not yet disclosed details about whether any sensitive information was obtained, the cause or source of the attack, or whether a ransom demand was made to keep from publishing sensitive dealership and customer information. The Findlay case was a suspected ransomware attack.

Bloomberg, citing an unnamed source on June 21, said a group claiming to have hacked CDK was demanding tens of millions of dollars in ransom and that CDK was planning to make the payment. CDK did not immediately respond to requests for comment by Bloomberg.

A research note June 21 from JP Morgan said the average downtime after a ransomware attack is roughly 24 days.

Analyst Rajat Gupta said financial impact to dealerships would be modest for now because they are quickly adapting to alternate processes to complete their work. New- and used-car sales will be deferred during the disruption, though some will turn to dealers who don't use CDK, he said.

The dealership service business "is the likely area of concern" because dealerships will experience "a permanent loss of revenue" during the shutdown because repairs are more time sensitive, the report said. Customers who need urgent repairs will turn to independent repair facilities and non-CDK franchised dealers that can offer the same service, Gupta said.

CDK said it has more than 15,000 dealership customers, a number that grows to 30,000 when heavy-truck dealerships are factored in, said Matt Gillrie, CEO of the Gillrie Institute, an automotive consulting group that works exclusively with dealers.

CDK also has contracts with five of the six top public dealership groups: Group 1 Automotive Inc., Lithia Motors Inc., Asbury Automotive Group Inc., AutoNation Inc. and Sonic Automotive Inc.

Sonic, the sixth-largest public dealership group, said in a June 21 statement that its more than 100 dealerships "are open and operating utilizing workaround solutions to minimize the disruption caused by this CDK outage."

The public retailer said after it learned of the attack, it took "precautionary containment steps" to protect the company's systems and began an investigation. It said it does not know whether the hackers were able to get any customer data.

"While this incident has had, and is likely to continue to have, a negative impact on the company's business operations until the relevant systems are fully restored, the company has not yet determined whether the incident is reasonably likely to have a material impact on the company's financial condition or results of operations," Sonic said.

Meanwhile, CDK confirmed June 20 that scammers in the U.S. and Canada were contacting affected dealerships pretending to be company representatives offering help to restore service.

Workarounds

On June 20, dealerships couldn't access inventory numbers, send customers home with purchased vehicles or even directly inform clients about the cyber issues they were having. As a result, the impact from CDK's shutdown July 19 and 20 was widespread — though dealerships and others adapted quickly.

Most manufacturers, including Toyota, declined to comment. GM referred inquiries to the National Automobile Dealers Association. Ford Motor Co., in a statement June 20, urged customers to work with their dealerships on "alternative processes" during the outage.

Todd Szott, dealer partner at Szott Auto Group in metro Detroit and president of the Detroit Auto Dealers Association, uses CDK's DMS at all five of his stores that sell Chrysler-Dodge-Jeep-Ram, Ford and Toyota vehicles. One location also uses CDK's customer relationship management system, which also was down. He said June 20 that a particular store is using a bit more of a workaround. Szott said his stores are selling and servicing cars and dealing with what he called an inconvenience.

"We're kind of going back to old-school pen and paper and we're finding other systems to do some of the things that we do with the CDK products, as well as just manual processes to continue to serve our customers," Szott said.

The Computerized Vehicle Registration system also was down, a CDK-owned platform dealerships use to register vehicle license plates. Szott said the platform basically handles that business for Michigan.

"We're not really able to finalize any paperwork on the car deal at this point," he said.

Village Ford, of Dearborn, Mich., was in the middle of its 40th annual tent sale and as of June 20 the CDK customer could not deliver sold vehicles. Many of the store's core systems including contracting were down after the shutdown.

Management kept morale high and focused on solutions that would enable everyone to keep working, said Jay Sturtz, general sales manager.

"For us as a dealership, we are always pretty innovative and we can adapt to situations," Sturtz said. "That's what dealers do."

Some software providers temporarily cut integrations with CDK to reduce risks.

Jay Vijayan, CEO of Tekion, a DMS provider in the U.S., said in a statement June 21 that his company remains unaffected by the CDK incidents, though it has temporarily suspended any integrations and data feeds to CDK as a precaution.

"We take data privacy, security and compliance very seriously," he said.

Reynolds and Reynolds Inc., another key DMS provider and CDK competitor, said the company continues to pay close attention to cybersecurity, in general, especially after the latest attacks.

"Cyber incidents are a constant threat, and one we take extremely seriously," Nikhil Kalani, chief information security officer at Reynolds and Reynolds, said in a post on LinkedIn. "Cybersecurity has been a very high priority for our company for many years, as demonstrated by our acquisition of Proton Dealership IT, the industry's leading cybersecurity services provider, and the construction of our state-of-the-art Security Operations Center."

The long-term impact of the CDK cybersecurity shutdown remains uncertain.

The cyberattacks' fallout could indicate a new normal, said Greg Pfleider, CEO of Accelerate-2Compliance, which provides FTC compliance service to the automotive, RV, marine, powersports and insurance industries.

He said dealers of the products his business covers "carry a tremendous amount of consumer private data. This is why they are a target."

Joe Shaker, owner of Shaker Auto Group in New England, said the attacks do not reflect a "new normal," but rather an ongoing reality.

"Security is incredibly important for this industry, but anyone can be hacked," Shaker said.

He said some, but not all, dealerships pay attention to the risks, deploying strong Internet protocols, cybersecurity and cyber insurance.

"Everyone is paying attention now," he said.

Nachbahr agreed. "The automotive industry is rapidly finding that a weak security program will be even more costly," he said.

Disappearing trust?

Andrea Amico is CEO of Privacy4Cars, which produces software that helps dealerships delete personal information from used vehicles before they're sold. He said consumer trust in the auto sector likely will get worse after this.

"Shoppers will realize there are security risks at dealerships, and many more will read about this," he said. He also predicted an onslaught of lawsuits from dealerships that had their businesses interrupted by the shutdown.

"While this one incident is unlikely to affect overall market volumes, it may push consumers who need a car right now to buy from dealership B instead of A," Amico said. "Many dealerships who use CDK will calculate lost sales, financing costs on floorplans that can't move, security consulting/assessments, possible costs of backup plans ... and will make claims. Manufacturers who pushed dealers to use CDK may be dragged into the fray."

Importantly, attacks are likely to continue on the automotive industry and other sectors, Pfleider said, adding consumers will only be tolerant for so long.

"Keep in mind, consumers are losing patience with the integrity of their privacy under invasion," Pfleider said, "and civil suits in many cases are soon to follow."

Paige Hodder, Gail Kachadourian Howe, John Huetter, Michael Martinez, C.J. Moore and Julie Walker contributed to this report.

APRIL

continued from Page 3

bonus cash, subsidized financing and lease deals that bring EV payments closer to those for vehicles with internal combustion engines, including gasoline-electric hybrids.

"Automakers are bringing EV prices down to the ICE level and it's moving the merchandise," said Tom Libby, associate director of industry analysis at S&P Global Mobility. But those incentives are costly to automakers. "I think it's pretty certain that manufacturers are taking a bath on those," Libby said.

While legacy brands and some EV startups push for growth, segment leader Tesla is in the unusual position of losing ground, Libby said.

New Tesla registrations fell 17 percent in April, marking three consecutive months in the red. Tesla's share of the U.S. EV segment dropped to 46.3 percent in April from 63.8 percent a year earlier, S&P Global Mobility said.

Because Tesla doesn't break out its U.S. sales, and some other automakers don't report EV sales by model, registration data serves as a proxy to automaker delivery numbers, but with a lag of several weeks.

"My takeaway is that the EV market is still there and several brands had a really good April, but the overall number is being masked by a weak performance for Tesla," Libby said. "A couple of years ago, we were all talking about how Tesla was the only EV brand doing well and everybody else was struggling. And now it's the reverse."

Excluding Tesla from the April data, U.S. EV registrations rose 69 percent, S&P Global Mobility said. Ford's EV registrations rose 169 percent, Kia's were up 172 percent and Toyota's jumped 647 percent for its lone EV model, the bZ4X crossover.

Fueled by deals

Toyota's April surge illustrates how the EV market is being driven by promotions.

According to Motor Intelligence, April incentives for the bZ4X totaled $10,963 per vehicle, compared with just $718 in April 2023. Not surprisingly, the bZ4X had 4,666 registrations in April, compared with just 625 in the year-earlier month, the data showed.

The generous incentives bring Toyota's EV crossover significantly closer in price to its gasoline counterpart, the RAV4.

Some analysts say automakers are using temporary deals to clear out burgeoning EV inventory as they scale back production.

"I think we're still in the 'hangover' of excessive EV production over the past year, and incentives are being employed to clear out stock languishing on dealer lots," said Karl Brauer, executive analyst at iSeeCars.com. "It will be more telling to see how companies like Hyundai, Kia, Toyota and the domestics adjust their EV production going forward."

General Motors this month tightened its manufacturing plans, saying it would make 200,000 to 250,000 EVs this year, down from as many as 300,000.

Toyota wasn't alone in offering sky-high incentives on EVs in April. Lease deals in particular have proliferated for electric vehicles because leased vehicles qualify for the $7,500 federal tax credit, whether or not they're manufactured in North America or meet battery sourcing rules. Vehicles for sale must meet those requirements to qualify.

April incentives for the Ford Mustang Mach-E, an electric crossover, were about $9,000 versus $877 a year earlier, according to Motor Intelligence. Mach-E registrations nearly quadrupled year over year to 5,358, S&P Global Mobility said.

Other examples: New April registrations for Nissan's Ariya doubled to 1,556 as incentives tripled to $16,828 from $5,133 a year earlier, the data showed. Lucid's Air sedan delivered a 50 percent increase in registrations as its incentives soared to $15,364 in April, from $2,313 a year earlier, the data showed.

Motor Intelligence said incentives averaged $3,081 across the industry in April compared with $1,704 a year earlier.

Tesla's performance

Tesla leaned less heavily on incentives in April than many of its top competitors.

Model 3 incentives rose to $1,392 per vehicle in April from $1,104 a year earlier, Motor Intelligence said. Model 3 registrations fell 55 percent in the month, according to S&P Global Mobility. The Model 3 also lost access to the federal EV tax credit on Jan. 1 because of changes in battery sourcing rules. But as of June 17, the top two trims of the Model 3 newly qualify for the tax credit.

Registrations of Tesla's bestselling vehicle, the Model Y crossover, fell 4.7 percent in April as incentives rose to $1,853 from $1,024 a year earlier. The Model Y fared better in March, with a 5.8 percent rise in registrations, when incentives on the crossover reached nearly $7,500, according to the data.

"It will be interesting to see how Tesla reacts in this environment," Brauer said. "Between the plateauing in overall EV demand and increased competition from mainstream automakers, Tesla will need a major catalyst to reverse its sales, revenue and market share numbers."

Compared with the first quarter, April was a relatively good month for EV registrations. But the January-April data showed a flatter market after years of double-digit growth. EV registrations rose 7.5 percent in the four-month period, slightly outpacing the overall light-vehicle market. EV share rose to 7.1 percent of light vehicles from 6.9 percent in the year-earlier period.

Tesla was, by far, the top EV brand in April with 47,350 registrations despite its 17 percent drop from the year-earlier month, according to the S&P Global Mobility data. The Model Y and Model 3 were its bestsellers, but registrations for the Model X crossover rose 11 percent to 2,094 and the Model S was higher by 17 percent..

Top 10 EV models

Ranking of new registrations, April 2024 vs. April 2023

	APRIL '24	APRIL '23	CHANGE
1. Tesla Model Y	32,922	34,542	–4.7%
2. Tesla Model 3	8,912	19,844	–55%
3. Ford Mustang Mach-E	5,358	1,384	287%
4. Toyota bZ4X	4,666	625	647%
5. Hyundai Ioniq 5	4,078	2,117	93%
6. Rivian R1S	2,855	1,259	127%
7. Ford F-150 Lightning	2,509	1,282	96%
8. Tesla Cybertruck	2,181	0	N.A.
9. Kia EV6	2,178	1,124	94%
10. Tesla Model X	2,094	1,883	11%
Total	**67,753**	**64,060**	**5.8%**

Source: S&P Global Mobility

STELLANTIS

continued from Page 3

not be able to face the Chinese offensive because they are setting the bar."

At Stellantis' June 13 investor day, Tavares addressed questions about how much cost savings are needed. In essence, he answered: more.

"It is the same thing as asking: Do we have limits to our imagination? Do we have limits to our brains?" he said. "At Stellantis, we keep on challenging ourselves every single day, every single minute on what kind of solutions can we find, what kind of collective answers we can bring to the challenges that we are facing."

STELLANTIS

Stellantis CEO Carlos Tavares said the company has to be "totally cost competitive at the highest level."

Material, head count savings

Knight, who succeeded Richard Palmer as CFO about a year ago, said Stellantis expects to spend about $200 million less on steel and raw materials for EVs in the second half of the year than in the first half.

She said the automaker is looking for about the same amount of savings from head count reductions in the second half, without explaining how that would be achieved. A number of high-profile North American executives have left the company this year, adding to the uncertainty that multiple rounds of job cuts have created.

Stellantis has begun recruiting a majority of its engineering workforce in lower-cost countries such as Morocco, India and Brazil and is looking to source 80 percent of its parts in regions where it can get the best pricing. Tavares in May said the added costs of building EVs will shift more of the industry's supply base to parts of the world where parts and labor are cheaper.

At this month's investor day, Knight said the automaker has "already got 90 percent of the outsourced engineering that we do coming from best-cost countries."

In addition, Stellantis is streamlining its logistics operations by bringing more distribution in-house.

It's buying more than 1,000 trucks in Europe to control transportation of vehicles between its plants and the final customer, said Maxime Picat, chief purchasing and supply chain officer. Picat said outbound logistical costs in Europe will decline 25 percent in the second half of 2024 compared with a year earlier.

Flexible platforms

Another way Stellantis is working to make building vehicles less expensive is by using fewer different architectures. The company is rolling out the STLA Small, STLA Medium, STLA Large and STLA Frame platforms in addition to the Smart Car layout and a light commercial vehicle platform.

The STLA Large platform, for instance, will underpin a varied mix of vehicles from Jeep, Dodge, Alfa Romeo, Chrysler and Maserati, for a total of eight models through 2026. It debuts in the U.S. this year on the Jeep Wagoneer S and Dodge Charger Daytona EVs.

"The magic here is about how you take a core product, then you add what are those design and handling elements that make it very unique," Knight said.

Chief Technology Officer Ned Curic said Stellantis has "embraced flexibility as the core principle to answer to the challenges of next-generation vehicles and platforms." Curic said the multi-energy platforms can easily adjust to market demands, which eliminates the need to precisely predict the adoption rate of different technologies.

"Our platforms can support up to 2 million vehicles per year, enabling us to achieve optimal efficiency in economies of scale," Curic said at the investor day. "They have a high level of commonality, intelligent modularity, component sharing, which further enhances our operational efficiency."

STELLANTIS

CFO Natalie Knight said $200 million more in head count reductions are planned.

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Customer incentives

Incentives in this table are a summary of retail programs offered. Programs may vary by region and model.

	Cash rebate	Finance rate
BMW GROUP		
2025 models		
BMW iX	$0-$7,500	2.9-12.9%
i5	$0-$5,000	2.9-12.9%
4 Series, 8 Series, M4, M8, X5, X5 M, X6, X6 M, X7, XM, Z4		2.9-12.9%
Mini Cooper*, Countryman		1.9-7.9%
2024 models		
BMW XM	$0-$15,000	2.9-13.7%
i7	$0-$9,500	2.9-13.7%
iX	$0-$7,500	2.9-13.7%
M8	$0-$6,000	2.9-13.7%
8 Series, i4, i5	$0-$5,000	2.9-13.7%
7 Series	$0-$4,000	2.9-13.7%
3 Series, X5	$0-$1,000	2.9-13.7%
X1	$0-$500	2.9-13.7%
2 Series, 4 Series, M2, M3, 5 Series, M4, X2, X3, X3 M, X4, X4 M, X5 M, X6, X6 M, X7, Z4		2.9-13.7%
Mini Cooper*,Countryman	$5,600-$8,100	2.9-7.4%
Clubman, Convertible, Cooper*		2.9-7.4%
FORD MOTOR CO.		
2024 models		
Ford Edge	$1,000-$3,000	0-9.9%
F-150	$500-$3,000	0-9.9%
Expedition, Expedition Max	$0-$3,000	0-9.9%
Mustang Mach-E	$2,750	0-9.9%
Mustang	$1,000-$2,000	0-9.9%
BRONCO_SPORT	$750-$2,000	0-9.9%
Bronco, Escape, E-Transit Cargo Van, Explorer, F-150 Lightning, Maverick, Ranger, Super Duty F-250 SRW, Super Duty F-350 DRW, Super Duty F-350 SRW, Transit Cargo Van, Transit Passenger Wagon		0-9.9%
2023 models		
Ford F-150 Lightning	$0-$7,500	0-7.9%
Bronco Sport	$1,000-$6,500	0-7.9%
Escape	$0-$5,500	0-7.9%
Explorer	$750-$5,000	0-7.9%
F-150	$0-$4,000	0-7.9%
Mustang Mach-E	$1,000-$3,000	0-7.9%
Bronco	$1,000-$2,000	0-7.9%
Edge, E-Transit Cargo Van, Expedition, Expedition Max, Maverick, Mustang, Ranger, Super Duty F-250 SRW, Super Duty F-350 DRW, Super Duty F-350 SRW, Transit Cargo Van, Transit Connect Wagon, Transit Crew Van, Transit Passenger Wagon		0-7.9%
GENERAL MOTORS		
In lieu of rebates, cut-rate financing is available.		
2025 models		
Chevrolet Trailblazer	$0-$500	1.9-14.2%
Trax		1.9-14.2%
Buick Encore GX, Envista		7.7-8.2%
2024 models		
Buick Enclave	$500-$1,250	0.9-14.8%
Encore GX, Envision, Envista		0.9-14.8%
Chevrolet Blazer EV	$0-$7,500	1.4-14.2%
Silverado 1500	$750-$3,250	1.4-14.2%
Blazer	$0-$2,500	1.4-14.2%
Malibu	$0-$2,250	1.4-14.2%
Traverse Limited	$0-$750	1.4-14.2%
Equinox	$500	1.4-14.2%
Trailblazer	$0-$500	1.4-14.2%
Camaro, Colorado, Corvette, Corvette Z06, Equinox EV, Express Cargo Van, Express Passenger, Silverado 2500HD, Silverado 3500HD, Silverado EV Suburban, Tahoe, Traverse, Trax		1.4-14.2%
GMC Terrain	$250-$1,500	0.4-14.2%
Acadia, Canyon, Hummer EV, Hummer EV SUV, Savana Cargo Van, Savana Passenger, Sierra 1500, Sierra 2500HD, Sierra 3500HD Yukon, Yukon XL		0.4-14.2%
2023 models		
GMC Acadia	$0-$2,000	0.4-14.2%
Terrain	$250-$1,500	0.4-14.2%
Canyon, Hummer EV, Savana Cargo Van, Savana Passenger, Sierra 1500, Sierra 2500HD, Sierra 3500HD, Yukon, Yukon XL		0.4-14.2%
AMERICAN HONDA		
2025 models		
Honda Civic Sedan, CR-V, HR-V, Pilot		2.9-11.6%
Acura Integra, MDX		7.1-11.6%
2024 models		
Acura Integra, MDX, RDX, TLX, ZDX		2.9-11.6%
Honda Prologue	$1,000	1.9-11.6%
Pilot	$0-$1,000	1.9-11.6%
Odyssey	$0-$750	1.9-11.6%
Civic Hatchback, Civic Sedan	$0-$500	1.9-11.6%
Accord Hybrid, Accord Sedan, Civic Type R, CR-V, HR-V, Passport, Ridgeline		1.9-11.6%
HYUNDAI-KIA		
2025 models		
Hyundai Ioniq 5		5.4-7.4%
Kia K5	$0-$750	3.9-9.2%
Sorento Hybrid, Sorento PHEV	$0-$500	3.9-9.2%
Carnival, Sportage, Sportage Hybrid, Sportage PHEV		3.9-9.2%
2024 models		
Hyundai Ioniq 6	$2,500-$7,500	0.9-9.4%
Ioniq 5, Kona EV	$0-$7,500	0.9-9.4%
Santa Cruz	$0-$2,500	0.9-9.4%
Tucson Hybrid	$0-$1,750	0.9-9.4%
Elantra	$1-$1,500	0.9-9.4%
Palisade	$0-$1,250	0.9-9.4%
Kona, Tucson	$0-$1,000	0.9-9.4%
Sonata	$0-$750	0.9-9.4%
Venue	$0-$300	0.9-9.4%
Santa Fe, Santa Fe Hybrid, Sonata Hybrid, Tucson Plug-In Hybrid		0.9-9.4%
Kia EV6, EV9, Niro EV	$0-$7,500	0-9.2%
Sorento, Sorento PHEV	$0-$1,250	0-9.2%
Sorento Hybrid	$0-$1,000	0-9.2%
Forte, K5, Niro, Niro Plug-In Hybrid, Seltos, Soul, Sportage, Sportage PHEV	$0-$750	0-9.2%
Sportage Hybrid	$0-$500	0-9.2%
Carnival, Telluride		0-9.2%
MAZDA		
2025 models		
Mazda CX-70	$1,000	2.9-9.8%
2024 models		
Mazda CX-50	$500-$2,500	0-8.8%
CX-90	$1,000-$1,500	0-8.8%
MX-5 Miata, MX-5 Miata RF	$1,000	0-8.8%
CX-5, CX-30, Mazda3 Hatchback, Mazda3 Sedan	$500-$1,000	0-8.8%
MERCEDES-BENZ		
2024 models		
Mercedes-Benz AMG GT, C-Class, CLA, CLE, E-Class, EQB, EQE, EQE SUV, EQS, EQS SUV, E-Sprinter, G-Class, GLA, GLB, GLC, GLE, GLS, S-Class, SL, Sprinter Cargo Van, Sprinter Crew Van, Sprinter Passenger Van		4.9-10.0%
2023 models		
Mercedes-Benz AMG GT, CLA, C-Class, CLS, E-Class, EQB, EQE, EQE SUV, EQS, EQS SUV, G-Class, GLA, GLB, GLC, GLE, GLS, Metris Cargo Van, Metris Passenger Van, S-Class, SL, Sprinter Cargo Van, Sprinter Crew Van, Sprinter Passenger Van		7.2-10.0%
NISSAN GROUP		
2025 models		
Nissan Leaf		4.2-9.8%
Infiniti QX55		4.9-7.4%
2024 models		
Infiniti QX50, QX60	$1000	0.9-7.4%
Q50, QX55, QX80		0.9-7.4%
Nissan Leaf	$1,000-$3,750	0-9.5%
Titan, Titan XD	$3,000	0-9.5%
Kicks	$500-$1,000	0-9.5%
Frontier	$250-$1,000	0-9.5%
Pathfinder	$0-$1,000	0-9.5%
Altima, Sentra	$500-$750	0-9.5%
Rogue	$500	0-9.5%
Murano	$0-$500	0-9.5%
Ariya, Armada, GT-R, Versa Sedan, Z		0-9.5%
STELLANTIS		
In lieu of rebates, cut-rate financing is available.		
2024 models		
Alfa Romeo Tonale	$0-$7,500	6.7%
Stelvio, Stelvio Quadrifoglio	$0-$1,750	6.7%
Giulia, Giulia Quadrifoglio	$0-$1,000	6.7%
Chrysler Pacifica	$0-$7,500	6.7%
Voyager		6.7%
Dodge Durango	$0-$3,600	6.7%
Hornet	$0-$3,000	6.7%
Fiat 500e		6.7%
Jeep Grand Cherokee, Wrangler 4-Door	$0-$7,500	5.9-9.9%
Compass	$0-$3,000	5.9-9.9%
Gladiator, Grand Cherokee L, Wrangler 2-Door	$0-$2,000	5.9-9.9%
Grand Wagoneer, Grand Wagoneer L, Wagoneer, Wagoneer L, Wagoneer S		5.9-9.9%
Ram 1500 Classic	$0-$4,000	6.7%
1500, 2500, 3500	$0-$3,000	6.7%
ProMaster Cargo Van, ProMaster Window Van		6.7%
2023 models		
Alfa Romeo Giulia, Giulia Quadrifoglio, Stelvio, Stelvio Quadrifoglio		6.7%
Chrysler Pacifica	$0-$7,500	6.7-8.9%
300	$0-$2,750	6.7-8.9%
Voyager		6.7-8.9%
Dodge Challenger	$0-$3,750	6.7%
Charger	$0-$3,700	6.7%
Durango, Hornet		6.7%
Fiat 500X	$0-$2,500	1.9-7.9%
Jeep Grand Cherokee, Wrangler 4-Door	$0-$7,500	6.7-8.9%
Gladiator	$0-$20	6.7-8.9%
Cherokee, Compass, Grand Cherokee L, Grand Wagoneer, Grand Wagoneer L, Renegade, Wagoneer, Wagoneer L, Wrangler 2-Door		6.7-8.9%
Ram 1500, 1500 Classic, 2500, 3500, ProMaster Cargo Van, ProMaster Window Van		6.7%
SUBARU		
2025 models		
Subaru Forester, Legacy, Outback		4.9-7.2%
2024 models		
Subaru Ascent, BRZ, Crosstrek, Forester, Impreza Wagon, Legacy, Outback, Solterra, WRX		0-7.2%
TOYOTA MOTOR NORTH AMERICA		
In lieu of rebates, cut-rate financing is available.		
2025 models		
Lexus NX, UX		7.0-12.1%
Toyota Camry, Corolla Hatchback, Crown		4.7-12.1%
2024 models		
Lexus ES	$0-$1,500	1.9-12.1%
RX, UX	$0-$1,000	1.9-12.1%
IS	$0-$500	1.9-12.1%
GX, LC, LS, LX, NX, RC, RC F, RZ, TX		1.9-12.1%
Toyota Mirai	$0-$30,000	0-12.1%
BZ4X	$0-$7,500	0-12.1%
RAV4 Prime	$0-$6,500	0-12.1%
Prius Prime	$0-$4,500	0-12.1%
Tundra 2WD, Tundra 4WD	$0-$2,000	0-12.1%
Grand Highlander	$0-$1,000	0-12.1%
Camry	$0-$100	0-12.1%
4Runner, Corolla, Corolla Cross, Corolla Hatchback, Crown, GR86, GR Corolla, Highlander, Land Cruiser, Prius, RAV4, Sequoia, Sienna, Supra, Tacoma, Venza		0-12.1%
VOLKSWAGEN GROUP		
2025 models		
Audi Q7, SQ7	$0-$1,500	4.9-10.6%
A4, A4 allroad, A5 Coupe, A5 Sportback, A6, A6 allroad, A7, A8, Q3, Q4 e-tron, Q4 e-tron Sportback, Q5, Q5 Sportback, Q8, Q8 e-tron, Q8 e-tron Sportback, RS 5 Coupe, RS 5 Sportback, RS 6, RS 7, S4, S5 Coupe, S5 Sportback, S6, S7, S8, SQ5, SQ5 Sportback, SQ8, SQ8 e-tron, SQ8 e-tron Sportback		4.9-10.6%
Porsche Cayenne, Macan, Panamera, Taycan		7.7-12.2%
2024 models		
Audi e-tron GT, RS e-tron GT	$3,000-$10,000	0-10.6%
A8, S8	$1,500-$10,000	0-10.6%
A6, Q8 e-tron, Q8 e-tron Sportback, SQ8 e-tron, SQ8 e-tron Sportbak	$500-$7,500	0-10.6%
Q4 e-tron, Q4 e-tron Sportbak	$500-$5,000	0-10.6%
S4	$1,000-$4,000	0-10.6%
A5 Sportback, Q5, S3, SQ5, S5 Sportback, SQ5 Sportback	$500-$4,000	0-10.6%
A5 Cabriolet, A5 Coupe, S5 Cabriolet, S5 Coupe	$1,000-$3,000	0-10.6%
Q5 Sportback	$500-$3,000	0-10.6%
SQ7	$1,500-$2,500	0-10.6%
A4	$1,000-$2,500	0-10.6%
Q3, Q7	$500-$2,500	0-10.6%
A3 Sedan	$500-$2,000	0-10.6%
Q8, S6, SQ8	$0-$1,500	0-10.6%
A4 allroad, A6 allroad, A7, RS 3 Sedan, RS 5 Coupe, RS 5 Sportback, RS 6, RS 7, RS Q8, S7		0-10.6%
Porsche Taycan	$0-$15,000	7.7-12.2%
718 Boxster, 718 Cayman, 911, Cayenne, Macan, Panamera		7.7-12.2%
Volkswagen ID4	$0-$7,000	0-12.1%
Atlas, Atlas Cross Sport	$0-$2,500	0-12.1%
Taos, Tiguan	$0-$1,500	0-12.1%
Golf GTI, Jetta	$0-$1,000	0-12.1%
Arteon, Golf R		0-12.1%
2023 models		
Porsche 718 Boxster, 718 Cayman, 911, Cayenne, Macan, Panamera, Taycan		7.7-12.2%
Volkswagen ID4	$5,000-$11,250	4.9-12.1%
Arteon	$5,000	4.9-12.1%
Atlas, Atlas Cross Sport, Golf GTI, Golf R, Jetta, Taos, Tiguan		4.9-12.1%

*Applies to select models only

Market Scan
S&P Global Mobility

North America light-vehicle production by nameplate, May & 5 months

Vehicles are assembled in the United States unless noted.

	May 2024	May 2023	5 mos. 2024	5 mos. 2023
2 Series (Mex.)	2,103	2,172	10,090	7,915
3 Series (Mex.)	6,354	8,625	23,548	26,810
M2 (Mex.)	1,090	1,340	8,985	7,695
Total BMW car	**9,547**	**12,137**	**42,623**	**42,420**
X3 (trk.)	9,473	9,267	44,577	36,642
X4 (trk.)	5,074	5,649	23,925	21,382
X5 (trk.)	13,651	13,347	66,100	62,690
X6 (trk.)	3,905	3,809	17,288	16,029
X7 (trk.)	6,032	5,552	29,066	24,536
XM (trk.)	509	1,324	2,382	5,678
Total BMW truck	**38,644**	**38,948**	**183,338**	**166,957**
Total BMW	**48,191**	**51,085**	**225,961**	**209,377**
Total Mexico car	**9,547**	**12,137**	**42,623**	**42,420**
Total U.S. truck	**38,644**	**38,948**	**183,338**	**166,957**
BMW MFG. CORP.	**48,191**	**51,085**	**225,961**	**209,377**
GT (Can.)	0	0	0	30
Mustang	5,440	563	29,900	20,391
Total Ford car	**5,440**	**563**	**29,900**	**20,421**
Bronco (trk.)	11,817	14,877	57,847	61,619
Bronco Sport (Mex. trk.)	16,999	15,763	72,820	67,619
E-Series (trk.)	4,228	3,312	20,122	21,053
Edge (Can. trk.)	2,739	8,080	54,178	44,739
Escape (trk.)	19,784	19,170	85,135	48,141
Expedition (trk.)	8,722	9,127	46,344	41,168
Explorer (trk.)	8,442	21,063	99,548	106,738
F-Series (aluminum) (trk.)	54,109	59,146	238,114	279,817
F-Series Super Duty (trk.)	34,755	32,567	174,567	118,289
F-Series chassis (trk.)	543	1,046	2,427	8,552
Maverick (Mex. trk.)	17,468	11,061	78,878	43,810
Mustang Mach-E (Mex. trk.)	6,714	13,639	17,675	33,238
Medium (F-650/F-750, trk.)	1,693	1,022	8,014	6,119
Ranger (trk.)	7,026	5,641	26,838	23,103
Transit (trk.)	17,034	18,296	80,083	71,600
Total Ford truck	**212,073**	**233,810**	**1,062,590**	**975,605**
Total Ford	**217,513**	**234,373**	**1,092,490**	**996,026**
Aviator (trk.)	384	2,100	11,216	11,910
Corsair (trk.)	1,989	3,917	13,755	6,955
Nautilus (Can. trk.)	0	2,814	0	12,901
Navigator (trk.)	2,294	2,269	8,969	10,338
Total Lincoln truck	**4,667**	**11,100**	**33,940**	**42,104**
Total U.S. car	5,440	563	29,900	20,391
Total Canada car	0	0	0	30
Total N.A. car	**5,440**	**563**	**29,900**	**20,421**
Total U.S. truck	172,820	193,553	872,979	815,402
Total Canada truck	2,739	10,894	54,178	57,640
Total Mexico truck	41,181	40,463	169,373	144,667
Total N.A. truck	**216,740**	**244,910**	**1,096,530**	**1,017,709**
FORD MOTOR CO.	**222,180**	**245,473**	**1,126,430**	**1,038,130**
Zevo 400 (Can. trk.)	500	0	750	0
Zevo 600 (Can. trk.)	1,300	750	2,350	2,175
Total BrightDrop	**1,800**	**750**	**3,100**	**2,175**
Enclave (trk.)	4,389	3,502	18,170	16,748
Total Buick truck	**4,389**	**3,502**	**18,170**	**16,748**
CT4	981	1,011	4,568	5,198
CT5	1,690	1,609	8,247	7,282
Total Cadillac car	**2,671**	**2,620**	**12,815**	**12,480**
Celestiq (trk.)	15	0	44	0
Escalade (trk.)	2,744	2,453	12,976	12,417
Escalade ESV (trk.)	1,725	1,612	7,737	7,471
Lyriq (trk.)	2,711	3,467	12,652	11,588
XT4 (trk.)	2,439	2,040	11,438	10,786
XT5 (trk.)	3,004	1,955	15,250	12,742
XT6 (trk.)	2,350	2,429	9,243	9,801
Total Cadillac truck	**14,988**	**13,956**	**69,340**	**64,805**
Total Cadillac	**17,659**	**16,576**	**82,155**	**77,285**
Bolt	0	5,969	0	27,394
Camaro	0	2,588	0	11,865
Corvette Stingray	3,412	3,546	15,932	16,255
Malibu	12,003	10,980	55,290	50,884
Total Chevrolet car	**15,415**	**23,083**	**71,222**	**106,398**
Blazer (Mex. trk.)	2,763	8,422	15,272	30,146
Blazer EV (Mex. trk.)	3,685	0	18,431	0
Colorado (trk.)	11,037	11,971	50,570	51,748
Equinox (Mex. trk.)	14,590	22,465	85,467	103,975
Equinox EV (Mex. trk.)	3,854	0	14,217	0
Express (trk.)	4,490	5,604	19,928	24,095
Silverado (trk.)	25,993	26,006	123,268	120,448
Silverado (Can. trk.)	13,576	13,991	64,880	58,782
Silverado EV (trk.)	2,055	0	8,691	0
Silverado/Cheyenne (Mex. trk.)	17,165	16,952	87,369	81,130
Suburban (trk.)	6,069	4,976	27,306	23,326
Tahoe (trk.)	12,999	11,875	60,182	54,205
Traverse (trk.)	16,425	13,389	70,907	63,086
Total Chevrolet truck	**134,701**	**135,651**	**646,488**	**610,941**
Total Chevrolet	**150,116**	**158,734**	**717,710**	**717,339**
Acadia (trk.)	4,000	5,566	7,870	28,543
Canyon (trk.)	3,871	4,018	18,300	16,874
Hummer EV (trk.)	1,246	0	7,535	0
Hummer EV SUV (trk.)	1,712	2,590	8,324	5,869
Savana (trk.)	2,204	2,503	10,272	11,310
Sierra (trk.)	18,361	17,042	86,210	80,311
Sierra (Mex. trk.)	16,793	11,379	80,530	54,510
Terrain (Mex. trk.)	8,454	10,109	46,399	48,046
Yukon (trk.)	5,830	6,015	27,038	27,439
Yukon XL (trk.)	3,902	3,983	17,716	18,495
Total GMC truck	**66,373**	**63,205**	**310,194**	**291,397**
Total U.S. car	**18,086**	**25,703**	**84,037**	**118,878**
Total U.S. truck	139,571	132,996	631,627	607,302
Total Canada truck	15,376	14,741	67,980	60,957
Total Mexico truck	67,304	69,327	347,685	317,807
Total N.A. truck	**222,251**	**217,064**	**1,047,292**	**986,066**
GENERAL MOTORS‡	**240,337**	**242,767**	**1,131,329**	**1,104,944**
Integra	3,086	3,058	9,304	15,945
TLX	485	1,546	2,096	11,126
Total Acura car	**3,571**	**4,604**	**11,400**	**27,071**
MDX (trk.)	4,146	4,693	22,004	31,539
RDX (trk.)	4,320	4,182	22,584	18,877
ZDX (trk.)	575	0	925	0
Total Acura truck	**9,041**	**8,875**	**45,513**	**50,416**
Total Acura	**12,612**	**13,479**	**56,913**	**77,487**
Accord	17,721	19,603	79,066	83,282
Civic	6,720	5,162	31,264	25,268
Civic (Can.)	18,405	15,766	90,045	66,647
Total Honda car	**42,846**	**40,531**	**200,375**	**175,197**
CR-V (trk.)	26,276	23,976	123,556	102,557
CR-V (Can. trk.)	18,393	18,297	90,574	80,188
HR-V (Mex. trk.)	17,829	14,721	81,452	62,374
Odyssey (trk.)	8,033	5,026	39,845	35,755
Passport (trk.)	3,058	4,268	16,419	20,760
Pilot (trk.)	14,087	12,675	69,132	50,272
Prologue (Mex. trk.)	3,387	0	13,518	0
Ridgeline (trk.)	5,249	3,700	25,305	24,216
Total Honda truck	**96,312**	**82,663**	**459,801**	**376,122**
Total Honda	**139,158**	**123,194**	**660,176**	**551,319**
Total U.S. car	28,012	29,369	121,730	135,621
Total Canada car	18,405	15,766	90,045	66,647
Total N.A. car	**46,417**	**45,135**	**211,775**	**202,268**
Total U.S. truck	65,744	58,520	319,770	283,976
Total Canada truck	18,393	18,297	90,574	80,188
Total Mexico truck	21,216	14,721	94,970	62,374
Total N.A. truck	**105,353**	**91,538**	**505,314**	**426,538**
HONDA	**151,770**	**136,673**	**717,089**	**628,806**

	May 2024	May 2023	5 mos. 2024	5 mos. 2023
GV70 (trk.)	1,986	112	9,699	179
GV70 EV (trk.)	304	269	1,204	957
Total Genesis truck	**2,290**	**381**	**10,903**	**1,136**
Elantra	0	2,487	0	13,673
Total Hyundai car	**0**	**2,487**	**0**	**13,673**
Santa Cruz (trk.)	3,675	4,024	19,369	19,716
Santa Fe (trk.)	10,882	9,930	51,135	49,857
Santa Fe Hybrid (trk.)	4,310	1,777	9,309	8,305
Tucson (trk.)	5,643	13,501	57,184	64,913
Tucson (Mex. trk.)	2	0	20	0
Total Hyundai truck	**24,512**	**29,232**	**137,017**	**142,791**
Total Hyundai	**24,512**	**31,719**	**137,017**	**156,464**
Forte (Mex.)	15,362	14,667	68,944	63,732
K3 (Mex.)	8,098	0	33,925	0
K4 (Mex.)	38	0	61	0
K5	2	6,396	1,337	30,534
Rio (Mex.)	0	8,333	0	42,268
Total Kia car	**23,500**	**29,396**	**104,267**	**136,534**
Sorento (trk.)	10,449	7,368	46,939	31,062
Sportage (trk.)	10,048	8,424	48,349	39,261
Telluride (trk.)	11,401	11,212	53,375	53,373
Total Kia truck	**31,898**	**27,004**	**148,663**	**123,696**
Total Kia	**55,398**	**56,400**	**252,930**	**260,230**
Total U.S. car	2	8,883	1,337	44,207
Total Mexico car	23,498	23,000	102,930	106,000
Total N.A. car	**23,500**	**31,883**	**104,267**	**150,207**
Total U.S. truck	58,698	56,617	296,563	267,623
Total Mexico truck	2	0	20	0
Total N.A. truck	**58,700**	**56,617**	**296,583**	**267,623**
HYUNDAI-KIA AUTOMOTIVE	**82,200**	**88,500**	**400,850**	**417,830**
10X (Mex.)	154	104	167	1,000
J7 (Mex.)	10	344	76	659
Total JAC car	**164**	**448**	**243**	**1,659**
Frison (Mex. trk.)	831	329	4,382	2,945
Sei2 (Mex. trk.)	237	115	1,668	866
Sei3 (Mex. trk.)	0	48	146	416
Sei4 Pro (Mex. trk.)	11	443	1,099	888
Sei6 Pro (Mex. trk.)	6	58	242	670
Sei7 Pro (Mex. trk.)	30	0	339	334
Sunray (Mex. trk.)	448	178	1,988	805
X200 (Mex. trk.)	73	0	261	139
X250 (Mex. trk.)	0	0	37	0
X350 (Mex. trk.)	66	16	428	47
X450 (Mex. trk.)	0	0	1	0
Total JAC truck	**1,702**	**1,187**	**10,591**	**7,110**
Total JAC	**1,866**	**1,635**	**10,834**	**8,769**
Total Mexico car	**164**	**448**	**243**	**1,659**
Total Mexico truck	**1,702**	**1,187**	**10,591**	**7,110**
JAC	**1,866**	**1,635**	**10,834**	**8,769**
GS-6	25	20	122	121
Total Karma car	**25**	**20**	**122**	**121**
KARMA AUTOMOTIVE†	**25**	**20**	**122**	**121**
Air	600	750	2,828	3,750
Total Lucid car	**600**	**750**	**2,828**	**3,750**
LUCID MOTORS†	**600**	**750**	**2,828**	**3,750**
Mazda2 (Mex.)	2,991	1,826	9,057	12,566
Mazda3 (Mex.)	3,917	2,983	16,982	18,027
Total Mazda car	**6,908**	**4,809**	**26,039**	**30,593**
CX-3 (Mex.)	384	256	737	1,162
CX-30 (Mex.)	11,280	9,948	61,602	55,653
CX-50 (trk.)†	8,005	6,000	38,130	28,947
Total Mazda truck	**19,669**	**16,204**	**100,469**	**85,762**
Total Mazda	**26,577**	**21,013**	**126,508**	**116,355**
Total Mexico car	**6,908**	**4,809**	**26,039**	**30,593**
Total U.S. truck	8,005	6,000	38,130	28,947
Total Mexico truck	11,664	10,204	62,339	56,815
Total N.A. truck	**19,669**	**16,204**	**100,469**	**85,762**
MAZDA	**26,577**	**21,013**	**126,508**	**116,355**
EQE (trk.)†	3,210	2,200	15,240	6,808
EQS (trk.)†	2,194	2,250	10,345	10,458
eSprinter (trk.)†	400	0	1,750	0
GLB (Mex. trk.)	5,045	6,333	25,204	28,385
GLE (trk.)†	11,582	11,950	54,102	56,064
GLE Coupe (trk.)†	3,749	3,500	16,724	16,966
GLS (trk.)†	4,217	4,000	19,929	20,121
Metris (trk.)†	0	500	0	2,400
Sprinter (trk.)†	3,822	4,000	20,398	17,290
Total Mercedes-Benz truck	**34,219**	**34,733**	**163,692**	**158,492**
Total U.S. truck	29,174	28,400	138,488	130,107
Total Mexico truck	5,045	6,333	25,204	28,385
Total N.A. truck	**34,219**	**34,733**	**163,692**	**158,492**
MERCEDES-BENZ	**34,219**	**34,733**	**163,692**	**158,492**
QX50 (Mex. trk.)	491	1,431	3,290	5,863
QX55 (Mex. trk.)	350	641	1,120	3,592
QX60 (trk.)	3,041	4,329	13,508	16,895
Total Infiniti truck	**3,882**	**6,401**	**17,918**	**26,350**
Altima	14,425	14,283	67,988	65,819
Leaf	1,503	1,536	6,914	6,535
March (Mex.)	3,640	3,141	13,648	14,489
Maxima	0	1,392	0	5,886
Sentra (Mex.)	18,594	17,735	91,468	77,405
Versa (Mex.)	17,583	11,047	70,067	40,095
Total Nissan car	**55,745**	**49,134**	**250,085**	**210,229**
Frontier (trk.)	7,690	6,114	37,279	29,652
Kicks (Mex. trk.)	12,672	13,543	59,401	57,056
Murano (trk.)	3,388	3,179	15,224	19,285
Pathfinder (trk.)	10,946	6,117	49,817	36,426
Pickup/Chassis (Mex. trk.)	7,551	7,277	36,325	35,790
Rogue (trk.)	15,797	15,071	74,701	66,774
Titan (trk.)	1,289	1,603	6,114	9,776
Total Nissan truck	**59,333**	**52,904**	**278,861**	**254,759**
Total Nissan	**115,078**	**102,038**	**528,946**	**464,988**
Total U.S. car	15,928	17,211	74,902	78,240
Total Mexico car	39,817	31,923	175,183	131,989
Total N.A. car	**55,745**	**49,134**	**250,085**	**210,229**
Total U.S. truck	42,151	36,413	196,643	178,808
Total Mexico truck	21,064	22,892	100,136	102,301
Total N.A. truck	**63,215**	**59,305**	**296,779**	**281,109**
NISSAN‡	**118,960**	**108,439**	**546,864**	**491,338**
EDV (trk.)	1,500	1,125	7,700	4,875
R1S (trk.)	2,100	1,000	11,100	4,225
R1T (trk.)	1,800	1,750	10,500	8,150
Total Rivian truck	**5,400**	**3,875**	**29,300**	**17,250**
RIVIAN†	**5,400**	**3,875**	**29,300**	**17,250**
300 (Can.)	0	1,424	0	6,757
Total Chrysler car	**0**	**1,424**	**0**	**6,757**
Pacifica (Can. trk.)	9,266	6,211	44,097	29,400
Voyager (Can. trk.)	4,481	3,025	21,792	16,830
Total Chrysler truck	**13,747**	**9,236**	**65,889**	**46,230**
Total Chrysler	**13,747**	**10,660**	**65,889**	**52,987**
Challenger (Can.)	0	4,560	0	22,189
Charger (Can.)	0	7,933	0	39,263
Total Dodge car	**0**	**12,493**	**0**	**61,452**
Durango (trk.)	6,990	5,619	32,355	28,139
Total Dodge truck	**6,990**	**5,619**	**32,355**	**28,139**
Total Dodge	**6,990**	**18,112**	**32,355**	**89,591**
Ram pickup (trk.)	37,615	34,767	166,641	165,945
Ram pickup (Mex. trk.)	20,742	23,974	98,489	112,290
Ram ProMaster (Mex. trk.)	7,776	7,655	24,261	35,552
Total Ram truck	**66,133**	**66,396**	**289,391**	**313,787**
Total Dodge/Ram	***73,123***	***84,508***	***321,746***	***403,378***

	May 2024	May 2023	5 mos. 2024	5 mos. 2023
Cherokee (trk.)	0	0	0	8,311
Compass (Mex. trk.)	12,987	8,892	62,370	61,925
Gladiator (trk.)	8,075	9,448	37,240	42,178
Grand Cherokee (trk.)	26,867	30,680	129,450	153,714
Grand Wagoneer (trk.)	900	1,000	5,384	6,834
Wagoneer (trk.)	4,139	5,420	18,443	22,624
Wrangler (trk.)	24,018	23,842	110,433	111,456
Total Jeep truck	**76,986**	**79,282**	**363,320**	**407,042**
Total Canada car	**0**	**13,917**	**0**	**68,209**
Total U.S. truck	108,604	110,776	499,946	539,201
Total Canada truck	13,747	9,236	65,889	46,230
Total Mexico truck	41,505	40,521	185,120	209,767
Total N.A. truck	**163,856**	**160,533**	**750,955**	**795,198**
STELLANTIS‡	**163,856**	**174,450**	**750,955**	**863,407**
Crosstrek/Impreza	9,648	4,159	49,332	19,666
Legacy	1,682	2,269	9,392	11,385
Total Subaru car	**11,330**	**6,428**	**58,724**	**31,051**
Ascent (trk.)	4,839	5,573	27,599	31,911
Outback (trk.)	17,011	18,563	81,442	79,948
Total Subaru truck	**21,850**	**24,136**	**109,041**	**111,859**
Total Subaru	**33,180**	**30,564**	**167,765**	**142,910**
Total U.S. car	**11,330**	**6,428**	**58,724**	**31,051**
Total U.S. truck	**21,850**	**24,136**	**109,041**	**111,859**
SUBARU	**33,180**	**30,564**	**167,765**	**142,910**
Model 3	23,500	24,000	105,530	120,387
Model S	2,910	4,125	11,902	17,915
Total Tesla car	**26,410**	**28,125**	**117,432**	**138,302**
Cybertruck (trk.)	2,500	0	5,550	0
Model X (trk.)	4,025	2,970	17,744	15,066
Model Y (trk.)	39,500	18,550	185,197	98,832
Total Tesla truck	**46,025**	**21,520**	**208,491**	**113,898**
TESLA†	**72,435**	**49,645**	**325,923**	**252,200**
ES	1,822	2,487	10,515	12,903
ES Hybrid	1,696	1,377	7,884	5,547
Total Lexus car	**3,518**	**3,864**	**18,399**	**18,450**
NX (Can. trk.)	3,951	4,077	14,424	18,808
NX Hybrid (Can. trk.)	1,077	1,472	4,557	6,616
RX 350 (Can. trk.)	6,746	7,344	26,296	30,089
RX Hybrid (Can. trk.)	3,177	3,774	20,957	19,286
TX (trk.)	4,482	0	18,603	0
TX Hybrid (trk.)	1,012	0	4,394	0
TX PHEV (trk.)	90	0	404	0
Total Lexus truck	**20,535**	**16,667**	**89,635**	**74,799**
Total Lexus	**24,053**	**20,531**	**108,034**	**93,249**
Camry	0	25,941	94,184	121,269
Camry Hybrid	24,001	4,926	38,163	11,687
Corolla	16,961	14,576	77,392	56,462
Total Toyota car	**40,962**	**45,443**	**209,739**	**189,418**
Corolla Cross (trk.)	7,715	6,188	35,012	33,113
Corolla Cross Hybrid (trk.)	4,160	903	18,633	903
Grand Highlander (trk.)	9,214	0	36,091	0
Grand Highlander Hybrid (trk.)	5,467	0	22,674	0
Highlander (trk.)	8,288	19,134	43,183	78,991
Highlander Hybrid (trk.)	4,925	6,725	22,256	44,553
RAV4 (Can. trk.)	26,203	26,311	123,680	111,465
RAV4 Hybrid (trk.)	7,265	8,485	39,296	27,843
RAV4 Hybrid (Can. trk.)	4,929	5,253	40,999	20,899
Sequoia Hybrid (trk.)	2,484	2,246	12,029	9,116
Sienna Hybrid (trk.)	7,042	7,594	36,972	27,645
Tacoma (Mex. trk.)	21,796	27,593	79,400	116,162
Tacoma Hybrid (Mex. trk.)	1,936	0	2,123	0
Tundra (trk.)	12,858	10,641	51,805	44,500
Tundra Hybrid (trk.)	3,275	4,006	26,032	14,589
Total Toyota truck	**127,557**	**125,079**	**590,185**	**529,779**
Total Toyota	**168,519**	**170,522**	**799,924**	**719,197**
Total U.S. car	**44,480**	**49,307**	**228,138**	**207,868**
Total U.S. truck	78,277	65,922	367,384	281,253
Total Canada truck	46,083	48,231	230,913	207,163
Total Mexico truck	23,732	27,593	81,523	116,162
Total N.A. truck	**148,092**	**141,746**	**679,820**	**604,578**
TOYOTA	**192,572**	**191,053**	**907,958**	**812,446**
Q5 (Mex. trk.)	17,474	18,725	54,187	79,429
Total Audi truck	**17,474**	**18,725**	**54,187**	**79,429**
Jetta (Mex.)	12,914	7,445	58,765	30,858
Total Volkswagen car	**12,914**	**7,445**	**58,765**	**30,858**
Atlas†	10,670	11,000	47,747	54,779
ID4†	3,800	3,000	17,664	15,513
Taos (Mex. trk.)	9,476	7,604	50,123	31,883
Tiguan (Mex. trk.)	11,393	7,223	60,374	55,848
Total Volkswagen truck	**35,339**	**28,827**	**175,908**	**158,023**
Total Mexico car	**12,914**	**7,445**	**58,765**	**30,858**
Total U.S. truck	14,470	14,000	65,411	70,292
Total Mexico truck	38,343	33,552	164,684	167,160
Total N.A. truck	**52,813**	**47,552**	**230,095**	**237,452**
VOLKSWAGEN	**65,727**	**54,997**	**288,860**	**268,310**
60 series	1,385	1,459	6,270	7,358
Total Volvo car	**1,385**	**1,459**	**6,270**	**7,358**
VOLVO†	**1,385**	**1,459**	**6,270**	**7,358**
Total U.S. car	151,698	167,818	725,420	785,787
Total Canada car	18,405	29,683	90,045	134,886
Total Mexico car	92,848	79,762	405,783	343,519
Total North America car	**262,951**	**277,263**	**1,221,248**	**1,264,192**
Total U.S. truck	829,433	791,676	3,957,111	3,612,875
Total Canada truck	96,338	101,399	509,534	452,178
Total Mexico truck	272,758	266,793	1,241,645	1,212,548
Total North America truck	**1,198,529**	**1,159,868**	**5,708,290**	**5,277,601**
Total U.S.	**981,131**	**959,494**	**4,682,531**	**4,398,662**
Total Canada	**114,743**	**131,082**	**599,579**	**587,064**
Total Mexico	**365,606**	**346,555**	**1,647,428**	**1,556,067**
TOTAL N.A. LIGHT VEHICLES	**1,461,480**	**1,437,131**	**6,929,538**	**6,541,793**

†Estimate

‡GM, Nissan and Stellantis vehicles built in the U.S. and Canada are estimates.

Source: Automotive News Research & Data Center

Plant downtime

	Resumes
Ford Motor Co.	
Oakville, Ontario	2027
General Motors	
Fort Wayne, Ind.	July 1
Orion Township, Mich.	Late 2025
Stellantis	
Brampton, Ontario	4th quarter 2025

Source: Automotive News Research & Data Center

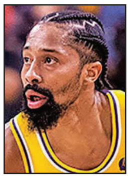
final assembly

Cyberattack: Go to autonews.com for live coverage of the CDK DMS cyberattack and its aftermath.

Lakers player sues shop over $1M Ferrari deal

A Los Angeles Lakers player is suing a custom car business over a deal involving a $1 million Ferrari he wanted to buy and a 1967 Ford Mustang Shelby he was trying to sell.

Spencer Dinwiddie, who signed a $1.55 million contract with the Lakers in February, filed the suit this month against the shop Wires Only and its former general manager, Chadwick Hopkins. Wires Only and Hopkins were featured on the 2022 reality show "Million Dollar Wheels."



Dinwiddie: Wants $350,000 back

Dinwiddie bought his Mustang from Wires Only in November 2022 for $699,000, according to the Los Angeles Times. He later agreed to pay $1.05 million for a 2022 Ferrari SF90 Spider that Hopkins helped him pick out and put down $350,000 on the car.

The lawsuit claims the Ferrari purchase was contingent upon Wires Only selling Dinwiddie's Mustang within 45 days. But the shop sent the Ferrari to him immediately and wasn't able to sell the Mustang.

"I'm going to buy another crib in Malibu. I need the 350k back and mustang sold,"

FERRARI

Spencer Dinwiddie's lawsuit relates to a deal involving a 2022 Ferrari SF90 Spider.

Dinwiddie texted Hopkins in April 2023, the lawsuit said.

Hopkins has disputed Dinwiddie's characterization of the deal.

"The $350,000 wasn't a deposit, it was an initial installment payment on the purchase of the SF90 Spider which we agreed to sell over 3 installments and 45 days between installment payments," he said in a text to Dinwiddie, according to the L.A. Times. "You took delivery of a $1,050,000 car that you purchased and we appreciate your business."

Wires Only, on its website, describes itself as the "leading bespoke marine & exotic car customization shop."

It has denied being involved in the transactions with Dinwiddie, saying Hopkins was acting on his own behalf.

TESLA

Elon Musk dances onto the stage at Tesla's annual shareholders meeting."Hot damn! I love you guys," he said.

'We love Elon': Shareholders bask in presence of Tesla CEO

Recent annual shareholders meetings for General Motors and Ford Motor Co. were down-to-business, relatively quick, sterile affairs.

Not so for Tesla, whose shareholders essentially partied at the electric vehicle maker's Austin, Texas, plant with CEO Elon Musk for more than two hours June 13.

Musk danced onto the stage to chants of "We love Elon." Some in the crowd wore Cybertruck shirts and signed a banner reading, "Don't mess with Tesla retail shareholders," according to Business Insider.

"Hot damn! I love you guys," Musk said when the applause died down. It stands to reason that he should, given that 77 percent of the company's stockholders had just approved giving him compensation worth about $56 billion.

One shareholder thanked Musk for "all you've done for humanity." Another said Musk was the reason he moved to Austin. Several noted that they had eagerly voted in favor of Musk's pay package; one asked if he would use it to take his kids to Disneyland.

"It's a little tough for me to go these days without causing a ruckus," Musk said. "Maybe I should just wear a Mickey Mouse outfit and just go."

The lovefest occasionally paused for actual discussion about Tesla's business plans. At one point, Musk predicted that the company's work making humanoid robots could outshine its automotive operations.

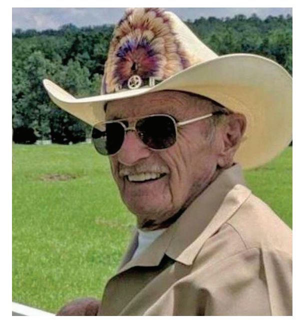
Tesla currently has two prototypes of the robot — which it calls Optimus — packing battery cells into shipping containers at its factory in California and "quite a few" more at its offices in Palo Alto, Calif., Musk said. He said Tesla intends to have more than 1,000 of the robots working at its factories next year and one day could generate $1 trillion in annual profit from Optimus.

Musk mused that such earnings eventually could give Tesla a valuation of up to $25 trillion — more than half the value of the Standard & Poor's 500 today.

"If the price-to-earnings multiple is, say, I don't know, 20 or 25, something like that, that would mean a $20 trillion market cap from Optimus alone," Musk said. "It's within the realm of possibility for Tesla to achieve a valuation 10 times that of the most valuable company today."

Larry Hinkle, once world's top Jeep dealer, dies at 92

Larry Hinkle, who owned the world's largest Jeep dealership during the American Motors era and rewarded customers with cash and prizes during massive pilgrimages he organized every year, died June 12 at age 92.



MOUNTAIN VIEW FUNERALS AND CREMATIONS

Larry Hinkle chose to retire rather than sell vehicles that weren't Jeeps.

Hinkle's Auto Sales in Pickens, S.C., was recognized as Jeep's No. 1 retailer for 10 consecutive years in the 1970s and 1980s, according to Fox Carolina, which got news of Hinkle's death from his daughter. He closed the store and retired shortly before Chrysler bought AMC in 1987 because he didn't want to sell any brands except Jeep.

Until then, he sold Jeeps by the truckload to a customer base that included the Venezuelan government, turning the small-town store into a landmark for fans of the SUV brand. In September 1978, the dealership had already sold 2,100 that year, Autoweek said, adding the pace had "exhausted his quota, if not his salesmen."

Every August, starting in 1968, Larry Hinkle Jeep Club members traveled from around the country to Pickens for a 135-mile parade into the Smoky Mountains. Some 4,000 "Jeepers" joined Hinkle in 1978 for a two-day festival that featured square dancing, a live band, sports competitions and a game show that gave away $40,000 in money and merchandise. The top prize was a customized 1978 Golden Eagle Jeep worth $9,000.

At his customer appreciation events, Hinkle was known to throw $50 and $100 bills off the balcony of his hotel room, according to a 2010 profile in the Anderson (S.C.) Independent-Mail.

"We had a good business in those days," Hinkle told the newspaper. "Lots of fine folks bought Jeeps from us and we still appreciate them and enjoy seeing them. I was lucky to have a bunch of good folks in Pickens who worked for us and supported us."

Hinkle started his dealership in the 1960s after building a custom Jeep for deer hunting with a friend.

"I don't think he ever got to hunt any deer because someone bought that Jeep as soon as it was finished," said Milledge Cassell, who worked at the store. "One thing led to another and pretty soon everyone wanted one of Larry's custom Jeeps."

In 1973, AMC recognized Hinkle for being the first dealer to sell 1,000 Jeeps in one year. Cassell recalled the dealership getting deliveries from 18 car haulers in one day after Hinkle placed a huge order with the factory.

"He would sell vehicles to other dealerships. Because he ordered in such large lots he could get anything he wanted," Cassell told the Independent-Mail.

"Larry Hinkle was good at selling," Cassell said.

Former Vt. dealership employee pleads guilty to mail fraud

A former employee of a Vermont Nissan dealership pleaded guilty to committing mail fraud on June 18, according to the U.S. attorney's office.

Robert McLane, who was the service and parts director at Formula Nissan, was employed at the dealership from March 2019 to September 2022. He also was once the dealership parts manager. In his roles, McLane would order parts from Nissan North America using the dealership management system.

Starting in January 2021, authorities said McLane began to order vehicle suspension lift kits, which cost from $2,300 to $2,900, that were not needed at the dealership. He would order them without using the management software so they would not show up in the dealership parts inventory. Nissan would bill the dealership, which would pay.

Authorities said McLane sold more than 200 kits on Facebook, accepting payment on his personal PayPal account. He shipped the kits out using the dealership's FedEx account.

Formula Nissan and its insurance company suffered an out-of-pocket loss of $575,000, authorities said.

McLane faces up to 20 years in prison and a fine of up to twice the loss caused by the fraud. His sentencing is scheduled for Oct. 31.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