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DEALBOOK

Business/Financial Desk; SECTB

Profits in G.M.A.C. Bailout to Benefit Financiers, Not U.S.

By STEVEN M. DAVIDOFF

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5

English

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Among the companies that were bailed out by the federal government during the financial crisis, perhaps the most intractable is proving to be the company formerly known as the General Motors Acceptance Corporation. It's a case study in how bailouts can linger and profits, when they do come, flow not to the government but to the Warren E. Buffetts of the world.

G.M.A.C. was the financial arm of General Motors. In the years leading up to the financial crisis, it was also G.M.'s most profitable unit, which tells you something about the auto industry at the time. The company earned more profit from lending money to customers than in selling cars.

In 2005, desperate to raise cash, General Motors sold a 51 percent stake in G.M.A.C. to the private equity firm Cerberus Capital Management. Cerberus beat out a rival, Kohlberg Kravis Roberts, for the privilege, spurring BusinessWeek to write that Henry R. Kravis's loss "has to sting."

During the financial crisis, however, the sting was felt on the other side, as G.M.A.C. staved off collapse thanks only to a government infusion of \$17.2 billion. The company was renamed Ally Financial - you have probably seen its catchy commercials on television. The Treasury Department owns 73.8 percent of Ally, with Cerberus retaining an 8.7 percent stake.

Almost since that time, the Treasury Department has wanted to rid itself of its Ally stake. Ally filed for an initial public offering in March 2011, but it has so far languished in the face of a weak market and concerns over Ally itself. The Treasury Department has been paid back about \$5.7 billion and still controls the company through its stock ownership and appointment of a majority of Ally's directors.

Despite lingering concerns about Ally, the automobile sales market is recovering and Ally's auto finance operations turned a profit last year. But Ally is still suffering from legacy debts, primarily concentrated in its ResCap unit. While you might think that with a name like G.M.A.C., the company financed only automobiles, but the company was also one of the largest subprime housing lenders through its ResCap subsidiary.

ResCap, a wholly separate entity owned by Ally, is the fifth-largest mortgaging servicer and origination unit in the nation, serving 2.4 million mortgages with a principal of \$374 billion. The business has lost billions since the financial crisis, and the never-ending stream of losses has made investors fearful. They should be. Ally has lent ResCap \$1.2 billion and has provided an infusion of \$10.3 billion since Jan. 1, 2007.

Ally's chief executive, Michael A. Carpenter, has stated that his priority is to repay the American taxpayer rather than support ResCap. In 2011, ResCap disclosed a loss of \$845.1 million and its financing has been drying up as the market realized that Ally would no longer be ResCap's sugar daddy.

It's still unclear why Ally didn't put ResCap into bankruptcy instead of providing billions in support. One explanation may be that Ally wasn't stable enough at the time to risk the market reaction to a bankruptcy and the

possibility that Ally's own financing might dry up as a result. In addition, ResCap turned a profit in 2010, but has since been overwhelmed by litigation and bad subprime loans.

Whatever the reason, Ally finally bit the bullet and put ResCap into bankruptcy in May this year, presumably hoping that this would make Ally more attractive itself for an I.P.O. or sale.

ResCap filed for bankruptcy with a huge \$1.25 billion loan from Barclays and up to an additional \$220 million available from Ally. The initial bankruptcy plan was for ResCap to split up, with the mortgage servicing business being sold to Fortress Investment Group for about \$2.3 billion. A legacy portfolio of \$5.2 billion in mortgage loan principal would be sold separately. At the time of the bankruptcy, Ally announced its intention to serve as a stalking horse bid for the legacy portfolio, bidding from \$1.4 billion to \$1.6 billion.

Enter the greatest investor of our time.

One of Ally's biggest creditors at that time was Mr. Buffett's Berkshire Hathaway, which held more than \$500 million of ResCap's unsecured bonds and \$900 million in ResCap's junior secured bonds. Berkshire has since sold the unsecured bonds but has also joined the fray. It announced in June that it would bid for the mortgage servicer, and offer \$1.45 billion for the legacy loan portfolio. The investment firm Lone Star Funds has also stated its interest in buying one or both.

Ally has now bowed out and Berkshire has replaced it as the stalking bidder for the loan portfolio. This fall, a bankruptcy court will hold an open auction for both businesses. We don't know who will buy these businesses, but it won't be Ally, which has left the scene after losing billions.

When asked for comment on why it was no longer bidding, an Ally spokesman expressed the intention for Ally to focus on its core businesses where Ally has a "leading position and competitive strengths, and that includes the auto finance and direct banking franchises."

Ally's initial gambit as a stalking horse bid has succeeded in bringing bidders to the table and maximizing the value of ResCap. But it's hard not to think that if Ally were not a ward of the government, this might have turned out differently. Having come so far and invested more than \$10 billion, Ally might want to bid for those assets, using its prior ownership to gain an advantage. After all, now there appears the potential to profit.

But the costs and uncertainties of continuing in the mortgage business are significant, and Ally does not appear to want to take that risk. At the time of the bankruptcy, the Treasury Department stated that its "objective today is to exit in a manner that balances speed of recovery with maximizing returns for taxpayers" and that it believes that the ResCap bankruptcy will "put taxpayers in a stronger position to maximize the value of their remaining investment in Ally."

That's the problem with companies being bailed out. They're no longer as entrepreneurial or risk-taking as they might be, and instead have to balance gains against a need to pay back the government. Now that housing is in a fitful recovery, smart financiers are returning to this market. Ordinarily, this would be a good situation for Ally to buy back the assets in bankruptcy. But it will be private investors - and potentially Mr. Buffett - who will profit from ResCap's carcass.

And with the Treasury Department still in the hole for more than \$11.5 billion with Ally, it is already facing a significant period before the government is paid back in full. The Treasury Department expects that it will be repaid a substantial portion of the government's investment in Ally, if not the full amount.

Though Ally operates independently, the Treasury Department, as Ally's owner, is not likely to have the patience to wait longer for ResCap. When the government is your lender, paying back the money is your first goal.

This is a more complete version of the story than the one that appeared in print.

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DRAWING (DRAWING BY HARRY CAMPBELL)

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THE BLOG

Automobiles; SECTAU

For Shark Week, VW Beetle Sheds Its Shell

By PHIL PATTON

245 words

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English

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HAD it been Hyundai with its discontinued Tiburon sports car, which took its name from the Spanish word for shark, the promotional materials would have practically written themselves.

Instead, Volkswagen has been using videos and a rather unorthodox product tie-in with the Discovery Channel's Shark Week to raise awareness of its Beetle, which was redesigned for the 2012 model year.

The shark-centric programming block, its 25th year, has evolved into a favorite beyond the realm of dog-day couch dwellers, luring major advertisers like hammerheads to a chum bucket.

The protective cage, fabricated of aluminum pipe and equipped with twin propellers and an air system, cuts a surprisingly faithful homage to the Beetle.

In fact, the size of the cage is only a quarter inch off in spots from that of its road-going equivalent, according to Luke Tipple, a marine biologist and frequent guest during Shark Week programming.

The 19-inch alloy wheels worn by the cage are optional equipment on terra firma.

The building of the so-called Volkswagen Beetle Shark Observation Cage, which Discovery said would "put viewers in the driver's seat as it cruises along the ocean floor," is related in three video segments shown during Shark Week, which began on Aug. 12. PHIL PATTON

DRIVING WITH THE FISHES: The cage pays homage to a real Beetle. (PHOTOGRAPH BY VOLKSWAGEN OF AMERICA)

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WHEELS

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Fisker Appoints a Chief With Complementary Roots

By MARY M. CHAPMAN

653 words

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2

English

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Fisker Automotive, the struggling manufacturer of luxury plug-in hybrid cars, has chosen Tony Posawatz, who led the development of the Chevrolet Volt, as chief executive, the company announced in a teleconference on Tuesday.

Mr. Posawatz, who recently retired from General Motors after a 32-year career, will succeed Tom LaSorda, the former Chrysler and General Motors executive who became Fisker's chief just five months ago.

"He will take the company to the next level," Mr. LaSorda, who will remain involved with the company as an adviser, said during the teleconference. "He was the leading guy in Volt from start to finish, so we recruited him. He came in with eyes wide open."

The move is viewed by some within the industry as a coup for the start-up, based in Anaheim, Calif.

"He's extremely talented, basically the father of the Volt," Aaron Bragman, a senior analyst for the research and consulting firm IHS Automotive, said of Mr. Posawatz. "He's experienced in developing electric vehicles, and he works well in start-ups."

Mr. Posawatz joined G.M. in 1980, advancing from assembly-plant foreman to the executive level, as vehicle line director for several G.M. products.

The appointment might also be construed as a step forward for a company that has suffered setbacks in its quest to be regarded as an independent technological leader. The latest was a fire in Woodside, Calif., involving the Karma sedan, the company's only production vehicle, which is under investigation.

In December, Fisker announced a recall of the Karma to address a fire hazard involving its lithium-ion batteries, supplied by A123 Systems of Waltham, Mass., and Livonia, Mich. The recall was expanded in June, bringing the total of affected vehicles to 258. The company traced the problem to improperly positioned hose clamps, which could leak coolant onto the battery unit and cause an electrical short.

In a statement issued on Monday, Fisker said it was trying to determine the cause of the fire, which destroyed the left-front side of the Karma in Woodside, but emphasized that the battery pack and engine were not to blame.

Fisker has sold roughly 1,000 Karmas, which start at approximately \$103,000 and are built in Finland, since last fall.

Mr. Posawatz's engineering experience with hybrid powertrains will be brought to bear on Fisker's next vehicle, the Atlantic, a sedan that was previewed in conceptual form in April during the New York auto show. Initial plans called for the Atlantic to be built in Wilmington, Del., at a plant previously owned by General Motors. In the teleconference, Henrik Fisker, the start-up's founder and executive chairman, had no news of that prospect. "We're still preparing," he said, without elaboration.

Fisker requires hundreds of millions of dollars to restaff and resume retooling the factory, which it idled in February after failing to meet preconditions of a \$529 million federal loan provided to the company by the Energy Department. The automaker has said that the resumption of federal loan disbursements, however, was not a prerequisite for introducing the Atlantic. Fisker said it raised \$392 million from private sources earlier this year.

Despite Fisker's proclamations of health, Tuesday's executive movements are not necessarily consistent with a company that is poised for rapid growth. "Right now, Fisker should be ready to fill that empty plant with the next-generation vehicle," Mr. Bragman of IHS said. "But the addition of Tony, a development man, and departure of LaSorda, a manufacturing guy, makes me wonder whether they're ready for that stage yet."

This is a more complete version of the story than the one that appeared in print.

Tony Posawatz, named to be chief executive of Fisker, shepherded the Chevrolet Volt through development.
(PHOTOGRAPH BY YURI GRIPAS/REUTERS)

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THE BLOG

Automobiles; SECTAU

One Bridge, and an Odd Problem

By CHRISTOPHER JENSEN

407 words

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THE National Highway Traffic Safety Administration is investigating two complaints in which owners of 2013 Infiniti JX35 crossovers vehicles say the automatic braking system suddenly engaged while they were driving on a bridge, then stopped the vehicles without apparent reason.

In an e-mail, Steve Yaeger, a Nissan spokesman, said engineers found "this particular location has unique roadway construction, which caused the system to activate; it is a situation that has only replicated in this particular spot."

The N.H.T.S.A. complaints did not identify the location of the bridge, and Mr. Yaeger said he wasn't sure where it was.

Mr. Yaeger also said the company had no other reports of such malfunctions, but "our engineers are working on a solution to help prevent this from occurring."

In a document filed on Monday, the safety agency's investigators wrote, "The consumers allege that the Intelligent Brake Assist system inappropriately activated emergency braking, autonomously bringing the vehicle to an immediate and complete stop."

The investigation covers an estimated 8,000 of the new sport utility vehicles, which are sold by Nissan's Infiniti division.

Nissan says the Intelligent Braking System uses radar to gauge the closing speed and distance of vehicles ahead, and if the computer decides a collision is imminent it will apply the brakes.

For years, luxury automakers have had systems able to gently apply the brakes if the computer senses a collision, but systems that completely stop the vehicle appeared more recently. Some auto executives have said that is, in part, because of concerns over litigation.

"As I was driving, the I.B.A. suddenly stopped my car to a complete stop on a bridge," one owner complained to the agency about the braking system.

"Luckily the car behind me wasn't driving too close or I would have been hit," the owner said. "Two weeks later I was driving with my mom and daughter and it happened again on the same bridge."

A second owner also told the agency that her Infiniti slammed on the brakes while crossing what turned out to be the same bridge.

Mr. Yaeger said Nissan did not see the incidents as a "safety issue" because "the braking is controlled and the brake lamps illuminate to alert the drivers behind the vehicle."

N.H.T.S.A. opened what it called a preliminary evaluation.

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MOTORING

Automobiles; SECTAU

Taking the Grunt Out of Turning

By SCOTT STURGIS

790 words

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AUDIS that won't back up and Jeeps that jump out of gear are among the mechanical ailments covered in the latest technical service bulletins.

The bulletins, compiled by

alldatapro.com, offer automakers' insights into some recurring problems with various models. The bulletins, known as T.S.B.'s, are not recalls; they are information provided by manufacturers to dealers' service departments and mechanics.

Unless otherwise noted, the carmakers do not offer payment assistance for these repairs beyond normal warranty coverage. Alldata.com sells a more comprehensive version of the bulletins to consumers. Here are a few recent examples:

AUDI Owners of the A6 and A7 counting on the car's side-assist feature to warn them of cars in their blind spot may feel a little let down. In T.S.B. 961235 issued on May 29, Audi said a failure of the system in some 2012 and 2013 models was caused by a short circuit in the warning lamp in the exterior mirror. Replacing the lamp should restore the function.

Also, backing up some A4s and A5 Cabriolets equipped with continuously variable transmissions may be difficult or impossible. In T.S.B. 381208 issued on April 24, Audi said the problem in 2009-11 models was traced to a securing ring inside the transmission that was too thin, preventing reverse from engaging. Replacing the securing ring should restore the operation of reverse gear.

GENERAL MOTORS Owners of several midsize models now have an extended warranty on their electric power steering. In T.S.B. 10183A issued on May 23, G.M. said some vehicles could intermittently lose power steering assist, causing a chime to sound and a "power steering" message to be displayed on the dashboard; steering would also become difficult at low speeds.

The power steering motor is now covered for 10 years or 150,000 miles in 2005-6 Chevrolet Malibu and Malibu Maxx and Pontiac G6 models; and 2008 Chevrolet Malibu and Malibu Maxx, Pontiac G6 and Saturn Aura models. The motor will be replaced if the condition shows up.

Also, 2004-7 Saturn Ions have been given an extension of the warranty on their electric power steering, noted in T.S.B. 10187A issued on May 23. In these vehicles, the warning message displayed is "PWR STR."

JEEP Transmissions that won't stay in gear are plaguing some Wrangler owners. In T.S.B. 21-002-12A issued on June 7, the parent company, Chrysler, said the problem caused manual transmissions on 2011-12 models to jump out of 2nd, 4th and 6th gears, and sometimes reverse. A new shifter spring and transmission outer shift lever boot should keep the gears engaged.

Also, the electronic control buttons mounted on the steering wheel of some models may malfunction or work only intermittently. In T.S.B. 08-037-12 issued on June 9, Chrysler said the problem in some 2011 Wrangler and Compass models affected audio or information system switches. Replacing the right-side speed-control switch should restore operation.

MINI A campaign to inspect front axle ball joints in some 2012 Cooper Countryman and Cooper S Countryman models is not as serious as it sounds. In T.S.B. M310112 issued on May 1, BMW, the parent of Mini, said the inner ball joint rubber boots of vehicles built in November 2011 might have been installed improperly, leading to premature wear and clicking noises.

TOYOTA Front-end clunks in Yaris models may reveal the need for new bolts in the front lower suspension arms. In T.S.B. 0078-12 issued on May 24, Toyota said the noise in 2007-12 models was most problematic when accelerating, braking or driving on uneven surfaces. Replacing the bolts should end the noise.

Also, new torque converters may be needed in the automatic transmissions of some 2011-12 Avalons and 2012 Camrys. In T.S.B. 0084-12 (for the Avalon) and 0086-12 (Camry) issued on June 6, Toyota said a shuddering sensation on light acceleration after shifting gears could be evidence of the problem.

VOLVO A new leak-detection pump and hose kit may be in order for some S60 sedans. In T.S.B. TJ26204 issued on June 1, Volvo said the pump, used to ensure that the fuel system is sealed, might itself fail because of leaks from hoses around the pump. Replacing the rubber hoses in 2010-12 S60 models with ones made of polyamide, and replacing the faulty pump, should get everything operating properly.

REPAIRS: Clockwise from left, 2005 Chevrolet Malibu Maxx, 2011 Jeep Compass, 2011 Volvo S60.
(PHOTOGRAPHS BY GENERAL MOTORS; CHRYSLER GROUP; VOLVO CARS OF NORTH AMERICA)

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As Sales Lag, G.M.'s Chief of Marketing Resigns

By BILL VLASIC
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DETROIT -- General Motors said Sunday that its chief global marketing executive had resigned in the latest management shuffle at the top of the nation's biggest automaker.

The company gave no explanation for the sudden resignation of the executive, Joel Ewanick, 52, who had been recruited from the Japanese automaker Nissan to help remake G.M.'s image.

Mr. Ewanick joined G.M. in 2010 after a short period as marketing chief for Nissan North America. Before that, he was vice president for marketing of Hyundai Motor America.

It was the latest in a series of changes made by Daniel Akerson, G.M.'s chief executive and one of several board members appointed by President Obama's auto task force.

In early July, G.M. changed top executives at its struggling Opel division in Europe, which is expected to account for a large loss when G.M. reports its second-quarter earnings on Thursday.

The change at Opel was somewhat expected given the troubles G.M. is experiencing in Europe. But Mr. Ewanick's departure was more sudden, a sign of growing pressure on G.M.'s leadership team to improve the company's performance.

G.M.'s American sales have lagged the market so far this year. While overall sales have improved 14.8 percent in the first six months of the year, G.M. has gained only 4.3 percent. The company's market share in the United States fell to 18.1 percent in the first half of the year, compared to 19.9 percent during the same period in 2011.

Mr. Ewanick has been at the center of several aggressive marketing moves, including G.M.'s decision to stop advertising on Facebook right before the social media site's initial public offering. G.M. has since changed course and said it might resume advertising on Facebook in the future.

Mr. Ewanick also pushed for G.M. to consolidate its ad agencies and to seek price cuts from television networks for advertising time. As part of that decision, G.M. announced that it would not run ads during next year's Super Bowl programming.

The top marketing job at G.M. has long had a powerful influence on what type of products G.M. makes for each of its brands.

Mr. Ewanick backed the latest ad slogan for G.M.'s top-selling Chevrolet brand, "Chevy Runs Deep." However, decisions on pricing of cars, which had traditionally been made by the sales and marketing chiefs, are now decided by the head of the company's North American operations.

G.M. said that its vice president for United States sales and service, Alan Batey, will take over Mr. Ewanick's global marketing duties in the interim.

Joel Ewanick, who resigned as G.M.'s top marketing officer, led the decision to discontinue advertising on Facebook. (PHOTOGRAPH BY PHIL MCCARTEN/REUTERS)

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WHEELS

Automobiles; SECTAU

BMW Dealers To Rent Cars By the Hour

By MICKEY MEECE

498 words

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2

English

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BMW anticipates the road to ownership will be paved through short-term car rentals.

The automaker is inviting customers in select markets in New York, New Jersey and Connecticut to rent its 328i sedan by the hour, day or week, starting on Aug. 13, through a pilot program called BMW on Demand.

At the outset, 12 dealerships in the New York area will participate, and 100 of the 328i sedans, equipped with a technology package that includes a navigation system, will be rotated based on demand, according to Ed Robinson, president of BMW Financial Services, which oversees the program.

Other BMW models may be added to the mix. Customers must register first, after which they would be directed to Bmwondemandusa.com once the site goes live. Unlike other car-sharing programs, there is no membership fee. Cars are picked up and dropped off at dealerships.

BMW, which introduced BMW on Demand first in its home market of Munich two years ago, is looking for a certain clientele of customers who are willing to pay a premium for a luxury car, Mr. Robinson said, because they know they do not have to pay for insurance, maintenance, gas or parking.

"They want the car when they want it," Mr. Robinson said. "They want a car they can enjoy and that fits their lifestyle."

The hourly rate is \$35 and, if the car is returned by 6 p.m., the daily total is \$140, he said. The overnight rate is \$210.

The weekend deal allows a Friday afternoon pickup and 9 a.m. Monday drop-off for \$350, he said.

Full insurance coverage is included in the rental price, Mr. Robinson said, so customers are covered for liability and bodily injury. A customer involved in an accident would have to pay a \$750 deductible for the vehicle, he added.

Of course, New York-area consumers who lust after luxury-brand cars by the hour can rent models like the BMW 328xi and Audi A3 from car-sharing services like Hertz on Demand or Zipcar.com. Mr. Robinson contends, however, that his company is providing more of a luxury experience, with representatives ready to hand over the keys and acquaint renters with their cars.

The BMW test runs for 90 to 120 days, Mr. Robinson said, and the company expects to evaluate whether it will continue and be introduced in other cities.

Meanwhile, over the longer term, Mr. Robinson views the program as a way to provide a more fulfilling test drive experience for potential buyers, who can use the car when and how they want.

"The business model to this is that when you as a customer, who doesn't have a car today, goes out into the market and decides to purchase a car," he said, "you are going to be predisposed to BMW."

FLASH DRIVE: A BMW328i for hire. (PHOTOGRAPH BY BMW OF NORTH AMERICA)

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The New York Times

BEHIND THE WHEEL 2013 ACURA ILX

Automobiles; SECTAU

You Can't Beat It With a Stick

By LAWRENCE ULRICH

1,717 words

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1

English

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NOT many Americans still want a car with a manual transmission. And for the Facebook generation, a car with a third pedal near the floorboard (it's called a clutch) might as well be a Hudson Hornet.

For those reasons, fewer automakers -- even exotic brands like Lamborghini -- are bothering with stick shifts. So while a small cadre of enthusiasts can praise Acura for offering a 6-speed manual in its 2013 ILX, one wonders if the sales strategy will someday be studied in business schools as a cautionary tale of misguided marketing: the most powerful, desirable version of this compact sport sedan isn't available with an automatic transmission at all.

Essentially, if you refuse to wrangle a stick and a clutch -- or can't sell your significant other on the arrangement -- you may want to cross the ILX off your list. Save thousands and get a Ford Focus, a Mazda 3 or another sporty compact with a lot of features but no luxury pretensions. It's really that simple. And the problem isn't that the ILX is a bad car. The problem is that it is three cars.

One of these is impressive, and the others are largely forgettable, all because of the sort of self-sabotage that we've seen too often of late from Honda and its upscale Acura division.

The good news is that although the ILX is a deluxe makeover of the Honda Civic, most people would never guess they're related. Once the most flavorful of compact cars, the Civic has been watered down like a cheap margarita. The ILX feels quite different: it looks better and drives sharper, and it is peaceful and pleasing inside.

Smart alecks will lazily accuse the ILX of being a Civic with leather seats, but one trip around the block would change their tune. The Acura's fine road manners recall the slightly larger Accord-based Acura TSX.

Drop in the TSX's 2.4-liter engine, which feels stronger than its 201-horsepower rating, and you have an under-the-radar sport sedan, a touch lighter and faster than the ever-reliable TSX. The base price is \$30,095, about \$5,000 more than you'd spend on loaded versions of everyday compacts.

And while a \$30,000 compact sedan tends to set American eyeballs rolling, the combination of this engine -- still one of the world's great 4-cylinders -- and generous features makes this version of the ILX, the 2.4L, an attractive proposition.

But here's the catch: the 2.4L, the version that truly justifies its entry-luxury price, can be obtained only with a 6-speed manual transmission. Way to go, Honda: you just eliminated, oh, about 95 percent of the customers who'd even consider spending \$30,000 or more on a small sedan.

Worse, when those manual-shift die-hards show up at the dealer, determined to get a top-shelf ILX -- with all the luxury goodies that help to justify the price -- they'll also learn that they cannot have a voice-activated navigation system, even as an option. That feature, the sales representative will be forced to explain, is available on only the base model and the Hybrid.

The 2.4L buyer is also denied the AcuraLink satellite communications system, real-time traffic and weather reports and 15 gigabytes of music storage.

That leaves the two other ILX models for the people who demand an automatic transmission -- pretty much everyone -- and the latest in-car technology. Yet both seem like shakier propositions, including the starter model, the 2.0L.

Priced from \$26,795, this is the ILX that screams "compromise" at the top of its little 2-liter lungs, with standard cloth seats and just 150 breathless horses from a version of the Civic engine. The base model is a car that dogs will chase, sniff and recognize as one of their own.

And once you throw in the options that make a "premium" compact premium, the price of the 2.0L can reach \$32,295. That's a lot for a sedan with an econobox engine and no more oomph than cars that cost around \$20,000.

In comparison, the new Buick Verano offers a 180-horsepower 4-cylinder in its base model (with a 250-horsepower turbo version on its way), and the Audi A3 features a fat 200 horsepower from a brilliant turbo 4-cylinder.

Options on the 2.0L come in two straightforward groups.

The \$3,300 Premium Package includes heated leather seats, a power driver's seat, 17-inch wheels, a 360-watt audio system, high-intensity headlamps, fog lamps, a rearview camera and active noise cancellation, which quells annoying sound frequencies that intrude into the cabin.

The package also features a Pandora Internet radio interface and a Bluetooth-enabled feature that can read incoming text messages out loud. It even lets drivers send six preset replies using voice commands.

Then there is a \$2,200 Technology Package that adds the navigation system and surround-sound audio.

And while the ILX 2.0L is offered exclusively with an automatic transmission, it is the prosaic 5-speed from the Civic. You can get 6 speeds on any number of bargain-basement compacts.

There is a third model, the ILX Hybrid, which seems to have the market potential of an Uggs store in Sudan. Starting at \$29,795, or \$3,000 above the base ILX, this model adopts the Civic Hybrid's 111-horsepower gas engine and gives it an electric motor assist.

Add on the Hybrid's \$5,500 Technology Package (which includes every available feature save 17-inch wheels), and buyers are looking at \$35,295 for a small hybrid that can't break 40 miles per gallon. (The government rating is 39 m.p.g. in the city and 38 on the highway. For comparison, the strikingly styled Lexus CT 200h tops the Acura with a 43/40 m.p.g. rating.

Asked about the odd lineup decisions, Acura executives said the 2.4-liter, manual-only ILX was positioned as the high-performance model. For customers who prefer an automatic, the executives added, there's always the TSX.

My hunch is that once its dealers' howls stop reverberating, Acura will relent and offer an automatic on the most desirable ILX, the 2.4L. While at it, Acura might drop the base engine entirely, along with the pretense, to establish what the ILX is supposed to be: an entertaining Euro-style sport compact.

For now, that ILX 2.4L is good enough to send people to remedial shifting school to brush up on their clutch work.

Across the line, Acura revamped the Civic stem-to-stern with a lighter and stiffer structure (including aluminum bits); more sound deadening, thicker laminated windows and aerodynamic covers below the floor; a nearly 7 percent faster steering ratio with more precisely machined gears; and a sportier suspension, including dual-stage shock absorbers and lower-friction bushings.

The stability system borrows advanced controls from Honda's Asimo humanoid robot, with faster reactions and an ability to make automatic steering corrections to counter skids.

The resulting car can't break-dance like the adorable robot, but it is handsome and entertaining. Even for those who choose the more frugal powertrains, the Acura feels like a legitimate entry-luxury car down to its smartly tailored cabin. Guiding the Acura over a gravel-choked road, its solidity and quietness made an instant impression.

Aging boy racers who loved their old Integras or RSXs may be let down by this more subtle approach. But the top-shelf Acura is no poseur, save for its modest all-season Michelin tires.

The Buick Verano is a stylish and reasonably charming car. But the Acura feels more fun and sophisticated -- as does the TSX compared with the Buick Regal. The ILX beats the Verano on engine performance, quick and sensitive steering, suspension and bump control and shifter feel. (The turbo Verano will have a chance to even the score.)

Honda recalled about 6,000 ILXs this month to repair a potentially faulty door latch, though no customers had reported a problem with the car.

Helping to wring every drop from the 2.4L's 7,000-r.p.m. engine and 170 pound-feet of torque, the Acura's shifter and clutch are the smoothest synchronized pair this side of a \$100,000 Porsche 911S. This powertrain scoots the ILX from a standstill to 60 m.p.h. in about seven seconds, roughly two seconds quicker than the starter model.

But you'd better check your watch for the unhurried Hybrid, which arrives at 60 m.p.h. roughly four seconds after the sporty ILX 2.4L.

The 2.4 engine does consume slightly more gas, with a 22/31 miles per gallon rating versus 24/35 for the 2-liter model.

I happened to drive the ILX back to back with Acura's redesigned RDX crossover. Both the sprightly RDX and high-end ILX chalked up all the performance and features you'd expect in their categories. Yet the RDX doesn't dabble in multiple powertrains or raise shifter barriers to potential buyers. It's a tremendously versatile crossover and feels like a clear bargain against rivals like the Lexus RX 350, Audi Q5 and BMW X3. As such, the RDX is just the kind of all-aboard winner that Acura needs to re-establish itself as a smart, practical choice among luxury brands.

But aside from hybrid fanatics with \$30,000-plus to burn, the ILX seems limited to fans of shift-it-yourself compacts at a relatively high price. Because either group might struggle to fill a high school gym, Acura should act quickly to expand the appeal of the ILX before it slips through the market's cracks.

INSIDE TRACK: Slicing the market too thin.

CLUTCH PLAY: The most desirable version of the Acura ILX comes with a manual transmission only and lacks the latest in-car technology. (AU1); BETTER DRESSED: The ILX feels richer than the Civic on which it is based. (PHOTOGRAPHS BY AMERICAN HONDA) (AU5)

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The New York Times

Business/Financial Desk; SECTB
Europe's Automotive Pain

By JACK EWING and BILL VLASIC

1,645 words

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The New York Times

NYTF

Late Edition - Final

1

English

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FRANKFURT -- For European carmakers, the day of reckoning may finally be at hand.

The most dreadful year for car sales in more than a decade may require the industry to deal with the overstaffed, underused factories that have been undermining earnings for years.

As the region's weak economies keep many European car buyers away from showrooms, analysts say the unprofitable automakers have no choice but to start closing production lines and cutting payrolls. For the weakest, like General Motors' Opel unit and PSA Peugeot Citroen, their survival may depend on it.

The question is whether any of the companies can do it fast enough -- or at all -- in the face of restrictive European labor laws and stubborn political resistance to cutbacks.

"I've never seen it this bad," Sergio Marchionne, chief executive of both Chrysler and the Italian automaker Fiat, said during an interview. "All the unresolved issues that have been plaguing the industry for a number of years have all come forward."

Fresh evidence came Wednesday in quarterly earnings from Ford and Peugeot, which both reported huge losses and are each on track to lose more than \$1 billion in Europe this year. Later in the day, the ratings agencies Fitch and Standard & Poor's both lowered Peugeot's debt by a notch, placing it deeper into "junk" territory.

Huge overcapacity, some auto executives say, has spawned a crisis similar to the one the U.S. industry barely survived just a few years ago. In fact, the downturn in Europe threatens the remarkably rapid recoveries that Ford and General Motors were able to make after Detroit's moment of truth in 2009.

Underused plants are ruinous for car companies, which must continue to pay upkeep costs and make payroll even as revenue plunges. By some estimates, the European industry as a whole is operating at only about 60 percent to 65 percent of capacity. As a general rule, plants must operate at about 75 percent or 80 percent to be profitable, analysts say.

The figures may be much worse for some factories, including Fiat plants in Italy, analysts said. At the same time, German luxury carmakers like BMW and Mercedes continue to thrive and are operating at or near capacity.

Few business undertakings are more tortuous than closing a European car factory. Peugeot braved howls from unions and the new Socialist government of Francois Hollande this month when it said that it would close a plant in Aulnay, outside Paris, in hopes of stemming losses that reached 819 million, or \$993 million, in the first half of this year.

Closing a plant typically requires a long and costly battle with unions, which have more legal rights than in the United States. German law, for example, requires companies to negotiate job cuts with worker representatives, who can demand large severance payments or pensions.

In an effort avoid a confrontation with labor, Peugeot has promised to convert its plant in Aulnay, which employs 3,000 people, to other, unspecified manufacturing. The company also promised to help employees find new jobs after car production ends in 2014.

But such measures add to the cost at a time when Peugeot is hemorrhaging money. And the compromises have not prevented political leaders from pushing the company to scale back plans to cut a total of 8,000 jobs in France, or dissuaded workers from protesting outside the company's Paris headquarters on Wednesday.

Even after four years of catastrophic sales, only a few of Europe's 100 or so auto plants have shut down. The closures include an Opel factory in Antwerp and a Fiat plant in Sicily.

"It's a question of who has the stomach for the fight," said Tim Urquhart, an analyst at IHS Automotive.

But with the European car industry on track to suffer its worst year since 1996, more closings seem unavoidable. About 12.4 million vehicles will be sold in the European Union this year, according to industry estimates. That is 3 million less than in 2007.

The car industry provides one of the most vivid examples of how the euro zone debt crisis is infecting companies outside the financial industry.

There are some disturbing parallels. In both cases, the pain falls disproportionately on Southern Europe, while Germany seems immune. Car sales actually rose slightly in Germany during the first six months of the year. They plunged more than 14 percent in France and almost 20 percent in Italy, which is in recession.

In Portugal and Greece, which have both required European bailouts and are enduring severe economic downturns, car sales fell more than 40 percent through June, according to the European Automobile Manufacturers' Association.

There are also unfortunate parallels in policy makers' response to the problem.

When the financial crisis caused a recession in 2009, France and other European countries spent billions of euros to bail out their car companies. But instead of using that money to ease painful downsizing of plants and payrolls, governments provided financial incentives for people to trade in older models for new ones, or subsidized worker salaries to dissuade companies from cutting jobs.

That approach foreshadowed Europe's reaction to the euro crisis -- stopgap measures that postpone the hard decisions. But now that muddling through is no longer an option, European governments are financially ill-equipped to respond.

Mr. Marchionne, of Chrysler and Fiat, has repeatedly called for the European Commission in Brussels to step in.

"What they should do is coordinate a rationalization of the industry across the producing companies," he said in an interview on Tuesday.

"The ones that really have not acted on this are the French and the Germans, who have not taken out any capacity at all," he said. "Everybody should take haircuts."

Mr. Marchionne and other auto executives also complain that European leaders have undermined their sales through a free trade agreement with South Korea that has allowed Hyundai and Kia to gain significant market share.

In this crisis, as in the euro currency debacle, the problems lie largely outside Germany. BMW and Daimler remain profitable in part because they are taking market share from the other manufacturers by offering luxury at a middle-class price.

Daimler, based in Stuttgart, on Wednesday reported a profit of 1.5 billion for the second quarter. That was down from 1.7 billion a year earlier. But sales of its Mercedes cars rose 4 percent, with the growth coming mostly from the United States and Asia.

If anything, some German carmakers have too little production capacity, an indication that the problem for some companies is inferior cars, rather than simply a declining market.

Daimler said Tuesday that it would farm out some production of its newly redesigned Mercedes A-Class to Valmet Automotive, a Finnish company, to meet strong demand. The A-Class, a sporty compact, starts at about 24,000 in Germany. That is about 7,000 more than an entry-level Ford Focus, but many buyers are willing to pay the premium for the prestige of a Mercedes.

Volkswagen, which will report its second-quarter results Thursday, is the largest carmaker in Europe and has been able to keep costs down by sharing parts and development among a huge stable of brands, ranging from low-end Skodas to luxury Audis. Analysts expect the company to report that quarterly profit rose slightly to 3.2 billion, according to a Reuters poll.

Mr. Marchionne and other auto executives accuse Volkswagen of exploiting the crisis to gain market share by offering aggressive discounts. "It's a bloodbath of pricing and it's a bloodbath on margins," he said.

Volkswagen declined to comment, saying it would answer questions about its business during a conference call with analysts on Thursday.

In another echo of the euro zone's financial crisis, the carmakers that are traditionally strong in southern Europe are the ones suffering the most, especially Fiat and Peugeot. Job losses at those companies would only further exaggerate unemployment, reduce tax revenues and make it that much more difficult for Italy, in particular, to wrestle down its government debt.

Ford and General Motors' Opel unit, which are both based in Germany and primarily serve the middle market, have also been battered.

G.M. has not made an annual profit on its European operations for more than a decade, and the company's leaders are under pressure by investors to either fix the business or get out of it.

G.M. recently removed both the chief executive and chief financial officer of its Opel unit. People familiar with the situation said G.M. is also preparing for deep cuts in its salaried work force in Europe as the first step in a larger effort to stem its losses. Opel, which operates under the Vauxhall brand in Britain, is expected to close an aging plant in Bochum, Germany, after 2016.

But while Opel has been a chronic problem for G.M., Ford of Europe was profitable until recently.

"Ford has run a pretty tight ship," said Arthur Maher, an analyst at LMC Automotive, a market research firm. "Ford is really being hit by what's happening in the broader European market."

Bill Vlasic reported from Detroit.

This is a more complete version of the story than the one that appeared in print.

A protest in Paris Wednesday against closing a Peugeot Citroen plant in Aulnay, near the company's headquarters. (PHOTOGRAPH BY GONZALO FUENTES/REUTERS) (B1); Security officers at the headquarters of Peugeot Citroen during a protest in Paris on Wednesday. (PHOTOGRAPH BY JACQUES BRINON/ASSOCIATED PRESS) (B4)

| CHART: European Car Sales Decline: About 12.4 million vehicles will be sold in the European Union this year. That is three million fewer than in 2007. (Sources: European Automobile Manufacturers' Association; European Commission) (B4)

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The New York Times

Business/Financial Desk; SECTB

Rising Loss in Europe Drags Down Ford's Profit

By BILL VLASIC

634 words

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The New York Times

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Late Edition - Final

4

English

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DEARBORN, Mich. -- The Ford Motor Company said on Wednesday that its second-quarter profit dropped 57 percent on slower sales and wider losses in its troubled European operations.

Ford said it earned \$1 billion in the quarter, compared to \$2.4 billion in the same period last year. While its core North American business continued to perform well, Ford reported a loss of \$404 million in Europe and now expects to lose more than \$1 billion there this year.

The automaker said for the first time that its overall 2012 operating profits would fall from last year's results because of the economic crisis in Europe.

Ford's chief executive, Alan R. Mulally, said the company was determined to fix its European business with the same tactics it used to turn around its North American operations. But with the European car market in its worst slump in more than a decade, Mr. Mulally said a comeback would take time.

"We are assuming that this is a structural issue," Mr. Mulally said in a conference call with analysts and news media. "It's not going to come back fast."

Other automakers are struggling in Europe, including Ford's Detroit rival, General Motors, which is expected to report a large loss in the region on Aug. 2 when it releases second-quarter earnings.

Ford made money in Europe in six of the previous eight years and was profitable as recently as the first half of 2011.

Those days appear long gone. With some countries in Europe posting sales declines of 20 percent and higher, Ford's second-quarter loss was nearly three times greater than in the first quarter.

Revenue in Europe fell to \$7.1 billion in the quarter compared to \$9 billion in the same period last year. The company is also losing market share because it has so far declined to match the big discounts being offered by rival automakers.

Ford's chief financial officer, Robert Shanks, said Ford had not anticipated such a rapid deterioration in Europe. He called market conditions there "very, very serious."

Mr. Shanks said Ford would lay off temporary workers, slow the speed of its European assembly lines and institute shorter workdays. The company said it would cut production by 49,000 cars in the third quarter to keep inventories manageable as sales continue to decline.

Industry analysts said the moves were probably a prelude to harsher cuts, possibly including the closing of an assembly plant.

"With capacity utilization at 63 percent on a three-shift basis, Ford is seemingly beginning to acknowledge (somewhat belatedly) that it needs to address its cost base," Brian Johnson, a Barclays analyst, wrote in a note to investors.

Mr. Mulally said that Ford was not ready to announce any major structural moves, but that the company would not cut investments in new products as part of a restructuring plan.

"Even in the worst of times, we will not back off on our investment in the future," he said.

The bleak performance in Europe overshadowed Ford's strong results in North America, where it reported a \$2 billion operating profit in the quarter.

North America, in fact, is carrying the company. Ford struggled in South America, where it made just \$5 million in the quarter compared to \$267 million in the same period in 2011. The company also lost \$66 million in Asia, where it is investing heavily in new factories, compared to a \$1 million profit a year ago.

Over all, Ford's revenue was \$33.3 billion in the quarter, down from \$35.5 billion a year earlier. The company said it ended the period with \$33.9 billion in cash and other liquid assets.

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OFF THE CHARTS

Business/Financial Desk; SECTB

Private Pension Plans, Even at Big Companies, May Be Underfunded

By FLOYD NORRIS

754 words

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3

English

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AFTER years of poor investment returns, the pension funds of the United States' largest companies are further behind than they have ever been.

The companies in the Standard & Poor's 500 collectively reported that at the end of their most recent fiscal years, their pension plans had obligations of \$1.68 trillion and assets of just \$1.32 trillion. The difference of \$355 billion was the largest ever, S. & P. said in a report.

Of the 500 companies, 338 have defined-benefit pension plans, and only 18 are fully funded. Seven companies reported that their plans were underfunded by more than \$10 billion, with the largest negative figure, \$21.6 billion, reported by General Electric.

The other companies with more than \$10 billion in underfunding were AT&T, Boeing, Exxon Mobil, Ford Motor, I.B.M. and Lockheed Martin. JPMorgan Chase had the largest amount of overfunding, \$1.6 billion.

The main cause of the underfunding at many companies does not appear to be a failure to make contributions to the plans. Instead, it reflects the fact that investment markets have not performed well for a sustained period.

As the accompanying charts show, over the last 15 years, the S. & P. 500 rose at an annual rate of less than 5 percent, even with dividends reinvested. Not since 1945 had a 15-year period been so bleak for the stock market. The Barclays Capital U.S. Aggregate Bond Index, which includes all investment grade bonds, returned 6.3 percent, but that, too, was lower than it had been for a long time.

Virtually all pension funds had assumed returns would be better, leaving them underfunded when their investments failed to perform as expected.

The prolonged poor performance of stocks has led some companies to move away from them. Seven years ago, S. & P. said, stocks made up 65 percent of pension-fund assets and bonds made up 29 percent, with the remaining assets in real estate and other investments, like private equity funds. By last year, stocks were down to 48 percent and bonds up to 41 percent.

The stock market's poor performance has also convinced some companies that they no longer want to take the risk of guaranteeing pension payments. Many have closed their pension plans to newer employees and stopped accruing benefits for workers already in them. Instead, they have pushed employees into defined-contribution plans, in which the worker, not the employer, bears the risk of poor investment performance.

Determining whether pension funds have adequate funding is, to some extent, a work of art. Companies estimate what they will owe in the future, and then discount that number based on how long it will be until they have to pay it and the interest rate at which their pension-plan investments could grow. The discount rate used can have a significant effect.

For example, if a company estimated it would owe \$1 million in 10 years and used an 8 percent discount rate, the current obligation would be \$434,000. If it chose a 3 percent rate instead, the current obligation would be \$737,000.

Next year, pension funds will appear to be better funded, even if they are not. Congress voted this year to allow funds to discount their obligations using a 15-year average of bond yields, meaning they can use a higher rate and so report lower obligations.

General Electric announced on Friday that it would slash its pension contributions as a result of the new law, and many other companies are expected to do the same.

Because such contributions are tax-deductible, lower deductions may mean higher tax bills, which would increase government revenue, at least for a few years.

Of course, markets will do whatever they will do, regardless of the assumptions pension-fund sponsors make. In the long run, contributing less now may simply mean companies have to contribute more later.

Floyd Norris comments on finance and the economy at nytimes.com/economix.

CHARTS: Underfunded Pensions: The amount by which pension plans were underfunded in the largest companies in the United States grew to a record \$355 billion last year, or more than 20 percent of their assets. A chief cause of the underfunding was that fund investments, largely stocks and bonds, did not perform as well as expected in recent years. (Sources: Standard & Poor's; Bloomberg; Barclays)

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The New York Times

BEHIND THE WHEEL 2013 DODGE DART

Automobiles; SECTAU

Armed by Alfa, Chrysler Wields a Higher-Caliber Small Car

By JERRY GARRETT

1,550 words

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Late Edition - Final

1

English

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DODGE put a great deal of thought into the naming of its new-for-2013 compact sedan.

Continuing to use the name of the Caliber, the model being replaced, was never an option; that hatchback penalty box was almost universally scorned, even by rental car companies. Nor was much thought given to resurrecting the googly-eyed Neon, though it was the last small Dodge to sell in significant numbers. Delving into the 1970s and '80s seemed pointless: time's passing had not water-colored America's memories of the uninspired Aries K-car or the often-recalled Aspen compact.

Ultimately, the company reached back more than a third of a century to dust off a name -- Dart -- associated with success rather than failure.

The Dart nameplate first appeared on a highly praised 1956 concept car designed by Virgil Exner. The name was then applied to a range of Dodges in 1960-76, including, most notably, a line of compacts that acquired a reputation for being nearly indestructible.

"The Dart was one of the most successful compact cars ever introduced in the American automobile marketplace," R. D. McLaughlin, a Chrysler vice president for sales, said in the mid-1970s as the Aspen was elbowing it aside.

Today, however, Chrysler's starved-for-product Dodge division is so eager for a fresh start, and so desperate for a reboot in the compact sedan segment, that it turned to its European cousins for inspiration.

Under its new skin, and despite its red, white and blue name, the Dart is an Alfa Romeo at heart.

The car's basic structure comes from the much-admired Alfa Giulietta, the runner-up for 2011 Car of the Year honors in Europe. The chassis, suspension, electric power steering, engine, transmission and other driveline components are direct from the Fiat Group, parent of Alfa and the reborn Chrysler Group. A recently announced variant will be sold in China and other international markets as the Fiat Viaggio, and as many as a half-dozen other yet-to-be-announced models -- coupes, sedans, hatchbacks and crossover utilities -- may eventually use the same versatile platform.

The adaptability of this chassis, as well as its relatively low cost, is its core strength. By comparison, the Caliber rode on a Franken-chassis: part Mitsubishi Lancer, part Chrysler Sebring, part Jeep Patriot -- perhaps, for that matter, part Conestoga wagon.

But comparing the Caliber with the Dart is like comparing a scruffy mutt with a pampered best-of-show purebred. A more interesting comparison is between the Dart and the Giulietta. A fully equipped Giulietta costs Europeans about \$42,000, whereas a Dart can be had for half as much. But the Dart, which in base trim is priced even more attractively at \$16,790, does not feel cheap or dumbed-down; in fact, in back-to-back test drives, I preferred the Dart to the Giulietta over all. Dodge has scored a neat trick here, with an entry-level made-in-America compact sedan -- the Dart is assembled in Belvidere, Ill. -- that trumps a premium European sport hatchback.

Dodge engineers and designers seem to have retained the best of the Alfa, including precise steering and driving dynamics, while improving on features that may matter most to Americans, like comfort, roominess and utility.

The Dart is about a foot longer than the Giulietta and a bit wider. While the extra size -- pushing the boundaries of the compact class -- enhances its premium feel, there is little trade-off in added weight or reduced fuel economy. Comparably equipped, a Dart outweighs a Giulietta by 150 to 200 pounds.

In a mix of similar driving conditions, my average fuel economy in the Giulietta and in three variations of the Dart was in the mid-30 m.p.g. range.

On my best tankful, in a Dart with the optional turbocharged 1.4-liter MultiAir 4-cylinder, I averaged 37 m.p.g. in a combination of city stop-and-go and 80 m.p.h. freeway driving (legal in Utah). An Aero trim package, to be available in the fall, is expected to lift the Dart's highway mileage to 41 or 42 m.p.g.

The potent MultiAir, which is also offered in the zippy Fiat 500 Abarth, makes 160 horsepower, with 184 pound-feet of torque, and it helps the rather large Dart feel robust both around town and on the highway. The E.P.A. rating for this engine, mated to a 6-speed manual transmission, is 27 in the city, 39 on the highway -- impressive figures for a car that weighs around 3,200 pounds.

The standard engine, the 2-liter

Tigershark in-line 4, is a Chrysler design that breathes without turbo assistance while developing the same 160 horsepower as the MultiAir (but only 148 pound-feet of peak torque). The

Tigershark carries a federal mileage rating of 25 city, 36 highway.

Another 4-cylinder engine will make its debut later this year in the sporty Dart R/T: a 2.4-liter MultiAir 2 Tigershark rated at 184 horsepower and 171 pound-feet of torque. But I would still check the box for the marvelous 1.4 MultiAir. The little Italian turbo motor is best matched to the ideally geared, entirely satisfying 6-speed manual transmission, a reminder that the many Americans who don't know how to shift manually are depriving themselves of automotive enjoyment. Still, the optional 6-speed automatic is an adequate alternative. A sporty dual-clutch transmission will be a future option -- though, oddly, not on the R/T.

In keeping with the Dart's Italian ancestry, the packaging engineers deserve a nod for offering more flavors than a gelateria. Twelve exterior colors are available, including retro-sounding paint hues like Header Orange and Citrus Peel; to enliven the interior, 14 color and trim combinations will be offered. Typically, buyers of compact sedans must cover their eyes and choose among a few sleep-inducing shades of gray and beige.

Though the Dart looks distinctively European, despite a dose of Dodge-style aggression -- with a long, wide hood, crossbar grille and up to 18-inch wheels and tires, it shares no exterior body or interior trim panels with the Giulietta. The only obviously shared part is the knob on the manual shifter.

The Dart is offered in four trim levels, the SE, SXT, Rallye and Limited, with the R/T to arrive in the fall. There are options galore, many of them premium features atypical of economy cars, including a backup camera, blind-spot and rear cross-path warning systems, heated steering wheel, heated leather seats and a multimedia command center and navigation system.

The price of a fully equipped Limited approaches \$27,000, and a loaded R/T will be about the same.

A Garmin-based navigation system with real-time traffic and satellite radio can be added to models that have the UConnect multimedia center. The system, with its simplistic graphics, limited display and cryptic menus, is not my favorite. But it is still better than the one offered in Europe on the Giulietta.

My complaints about the Dart include the front seats, which look better than they feel. The front passenger sits atop a hidden storage compartment, a clever idea that unfortunately results in a thin and uncomfortable seat cushion.

The electric power steering, which I found to be excellent, may be too precise and sporty for some American drivers. The Dart is afflicted by a bit more road noise and vibration than the Giulietta, but I noticed that only when driving the cars back-to-back.

I was pleasantly surprised that the front-drive Dart exhibited little or no torque steer -- a sideways tug of the driving wheels -- when accelerating.

Nor was there appreciable understeer -- a tendency to plow ahead, rather than turn -- when cornering. While the Giulietta's chassis uses steel subframes, the Dart is equipped instead with weight-saving die-cast aluminum subframes that are bolted to the steel unibody for greater rigidity.

The Dart is surprisingly agile through the most diabolical corners and pavement changes. One supposes that if you're descended from the Italians, with their winding, narrow, angina-inducing roads, this sort of agility must be in your genes. Even on wet pavement, the Darts I drove had tenacious grip.

It is no exaggeration to say that cars like the Dart, Giulietta and Viaggio are vitally important to the Fiat Group's well-being. These are strong new products in a class neglected too long by Fiat and Chrysler. In the American market, where the new Ford Focus is setting a high standard for style, comfort and road manners, and with rivals like the Hyundai Elantra coming on strong, the Dart seems a worthy challenger.

INSIDE TRACK: Bull's-eye.

AIMING HIGHER: Well-appointed Limited, left, and sporty R/T are two choices in the wide-ranging Dart lineup. Although it borrows from the Alfa Romeo Giulietta, the Dodge is significantly different.(AU1); TARGET MARKET: Midrange SXT, above, is likely to be the best seller. Left, up-level Darts have a large touch screen.
(PHOTOGRAPHS BY CHRYSLER GROUP)(AU5)

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The New York Times

Business/Financial Desk; SECTB
Uncomfortable Accounting

By MARY M. CHAPMAN

1,482 words

19 July 2012

The New York Times

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Late Edition - Final

1

English

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NOVI, Mich. -- For weeks, John and Kathy Matthews have agonized over the choice: accept \$818,000 in a lump sum from General Motors to buy out Mr. Matthews's pension or keep collecting a check of \$4,854 a month.

They have consulted nearly a dozen financial advisers, spent countless hours on the Internet, discussed scores of possible outcomes, and lost a ton of sleep. And with the deadline to decide on Friday, they still don't know what they will do.

"It's not an easy decision because we don't know how long we're going to live," said Mr. Matthews, 63, in an interview with his wife at their airy condominium in this suburb west of Detroit.

G.M. has made similar offers to about 42,000 of its 118,000 former white-collar employees and surviving spouses. Those who decide to keep the monthly check will be switched to an annuity provided by Prudential Insurance. Those who take the lump sum will be saying goodbye to G.M.'s financial embrace forever.

G.M. said the change would eliminate \$26 billion of its \$134 billion in worldwide pension obligations. The automaker's global pension plan is underfunded by about \$25 billion, which has been a cloud over the company's finances.

Some said the pension change was a cultural shift for an automaker whose hefty pay and benefits earned it the nickname Generous Motors.

"Those were the old days," said David Cole, president emeritus of the Center for Automotive Research in Ann Arbor, Mich., whose father was a top G.M. executive. "Everybody is trying to run leaner now, and G.M. is not unique."

The Ford Motor Company said it would make its own buyout offer to its 98,000 retired salaried workers later this summer. And G.M. has said it might discuss pension buyouts for its 400,000 hourly retirees and surviving spouses with their union, the United Automobile Workers.

For the auto companies, the financial impact is largely the same, whatever each retiree decides. The lump sums are calculated using a formula from the federal government that takes into account each retiree's monthly pension and life expectancy.

But for the retirees, the choice has prompted deep, often uncomfortable, consideration of both their personal finances and their own mortality.

"I've got members who get two hours sleep, are crabby and being treated for ulcers," Wayne Williamson, treasurer and secretary for the General Motors Retirees Association, said recently. "And it's not just the annuity, but the short length of time they have to make a lifetime decision."

Mr. Matthews, a former engineering manager at the Technical Center in Warren, Mich., who retired in 2008 after 41 years, meets weekly at a diner with a coterie of retired colleagues, and the pension choice has dominated recent conversation.

Mr. Matthews said most of his friends were leaning toward the monthly checks. But for him, the calculation was not so simple.

Although G.M. won't put it quite so directly, by Mr. Matthews's math, the company predicted that he would live for another 21 years and used that estimate to come up with the \$818,000 offer.

In addition to his pension check, Mr. Matthews receives Social Security, and he also has an individual retirement account. Mrs. Matthews, 62, works part time at a hospital as a registered nurse, and has a home-based business selling nutritional products. When she retires at 66, she will not receive a pension.

The couple has no mortgage or car payments, although both of them have had surgery in the last year, incurring \$6,000 in out-of-pocket costs.

They figured that if they earned a return of more than 4 percent a year from investing the lump sum, they would do better than the monthly pension check.

The bigger worry for them was their estate. Whereas funds from a lump sum could be left to their three children and two grandchildren, pensions cannot be inherited.

"We know that if we go down in a plane crash, the kids would get the lump sum," Mr. Matthews said.

His wife brought to the dining table a framed photo of their children. "It's just extremely difficult," said Kathy Matthews. "When you look at this last recession, well, we don't know what the future holds."

Jim Shepherd, president of the retiree association, said some members were taking the pension changes personally. "People are saying they feel like G.M. is divorcing them," he said.

Mr. Shepherd, who had been a G.M. fleet account executive in Northern California, said the average lump sum offer was about \$500,000. He said he could not predict which option most members would choose, although he had decided to stick with his monthly check of about \$4,000.

Dave Roman, a G.M. spokesman, declined to discuss how many people had already decided or what the tally for each option was so far.

In June, General Motors held 75 informational meetings attended by about 10,000 retiree club members across the country, he said. The manufacturer also held at least two conference calls with club presidents.

G.M. said that by default, retirees would continue to get monthly pension checks. If they opt for the lump sum by Friday's deadline, they will have until Aug. 23 to change their choice.

Christopher Frayne, a portfolio manager for Sigma Investment Counselors in Southfield, Mich., said he had advised up to 80 percent of clients who were grappling with G.M.'s offer to continue their pension checks.

"To take that lump sum and recreate that income with interest rates this low, that's hard to do," he said.

But Don Tanner decided to take the plunge, exchanging monthly checks of close to \$5,000 for a lump sum of about \$1 million. "It's the freedom of knowing I have the money, and that it's my money and that I have control of it," said Mr. Tanner, who moved to Atlanta after retiring in 2007 as an engineer in Warren.

He said he would invest a portion of the lump sum and put some in certificates of deposit. "I figured that in the market, I can get around 6 percent on investments," said Mr. Tanner, 65. His wife, a human resources representative, will retire in three years with a 401(k) plan.

The prospect of passing something on to his two children and six grandchildren was key to his decision, said Mr. Tanner, who is in good health and will begin to draw Social Security this year.

For retirees who stick with the monthly check, the Prudential annuity will not be guaranteed by the federal government's Pension Benefit Guaranty Corporation, the way that G.M. pensions are. But Dylan Tyson, head of pension risk transfer at Prudential, said: "Prudential is exceptionally strong. We're good at this."

James Klein, president of the American Benefits Council, said what General Motors was doing was no surprise.

"Companies are going away from traditional defined-benefit plans," Mr. Klein said. "This is just a different way of meeting obligations."

New federal pension rules that went into effect this year make pension buyouts less costly to companies, so other companies may follow the lead of G.M. and Ford and offer lump sums. Chrysler, however, has said it has no plans to offer buyouts.

Among G.M. retirees, not everyone is going through the same kind of angst as the Matthews family. Janine Fruehan, who retired in 2009 as manager of communications for product quality and safety at G.M.'s Technical Center, said she planned to refuse the lump-sum offer.

"It seems like a lot of money at first, but I need stability," said Ms. Fruehan, 58, who is single and has no heirs to worry about. "My biggest thing was outliving the money."

Ms. Fruehan, who is a member of G.M.'s Retiree Advisory Council, which helps guide the company's retiree initiatives, said she hoped to avoid using Social Security when she first became eligible and instead live off her pension payments and other investments. She also is an independent, home-based consultant for a high-end fashion firm.

"The lump sum is a big opportunity, but everybody's different," she said.

John Matthews and his wife, Kathy. He is one of thousands of former G.M. employees who were offered pension buyouts. (B1); Janine Fruehan, top, said she would reject the buyout because she preferred the stability of a regular check. John Matthews, above center, talking with fellow retirees, said he was considering taking the buyout in part because it might allow him to give his children a larger inheritance. (PHOTOGRAPHS BY FABRIZIO COSTANTINI FOR THE NEW YORK TIMES) (B2)

Document NYTF000020120719e87j00079

The New York Times

THE BLOG

Automobiles; SECTAU

The Murky Math of an Ethanol Mix

By NORMAN MAYERSOHN

391 words

15 July 2012

The New York Times

NYTF

Late Edition - Final

4

English

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AS my colleague Matthew L. Wald noted on Wednesday, a filling station west of Kansas City, Kan., recently began pumping E15, the fuel blend of 15 percent ethanol and 85 percent gasoline. The formulation was approved for use by the Environmental Protection Agency late in 2010.

Though the government cannot compel filling stations to stock the fuel, the Energy Department frames the use of E15 as falling within its broader objective of reducing petroleum imports. (The ethanol is produced primarily from corn grown in the United States.) However, the cost and efficiency benefits for the fuel's end user are not so apparent. As Mr. Wald wrote, "Some car experts say that the savings are illusory, because a gallon of ethanol has only about two-thirds as much energy as a gallon of gasoline, so it will take a car fewer miles on a gallon."

At the filling station in Lawrence, Kan., visited by Mr. Wald, the price on Tuesday for E15 was \$3.279, 2 cents a gallon less than the standard E10 formulation. The lower per-gallon price means that drivers will pay less to fill their tanks, but it doesn't necessarily mean they are getting a bargain.

The Web site of the Energy Department says motorists can expect their cars to travel "3 to 4 percent fewer miles per gallon on E10 than on straight gasoline." Logically, E15, with its higher concentration of ethanol, will further erode a vehicle's estimated fuel economy.

Using 5 percent as a rough estimate of the fuel economy loss (compared with straight gas, which is difficult to find), the E15 fuel ought to be in the range of 15 cents a gallon cheaper to power that vehicle the same number of miles for each dollar spent.

The more relevant comparison, of course, is to the E10 on sale at the same station. The netted savings of 2 cents a gallon still falls short -- E15 should probably be in the range of 4 to 6 cents a gallon cheaper to yield the same miles-per-dollar result as E10. The E15 may be more attractive to drivers of cars that require premium fuel, as Mr. Wald points out, because the ethanol blend has an octane rating of 90.

Document NYTF000020120715e87f000av

The New York Times

THE BLOG

Automobiles; SECTAU

Sergio Pininfarina, 85, Italian Coachbuilder

110 words

8 July 2012

The New York Times

NYTF

Late Edition - Final

4

English

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THE Pininfarina Group announced on Tuesday that Sergio Pininfarina, its honorary chairman, who presided over one of the most romanticized eras in Italian automotive design, had died at his home in Turin, Italy. He was 85. The cause of death was not disclosed by the company, but Mr. Pininfarina was known to have been ill in recent years.

During his tenure as managing director of the company, the Pininfarina studio produced in the early 1960s what became some of the most valuable sports cars ever, including the Ferrari 250 GT California Spyder and the Ferrari 250 GTO.

Sergio Pininfarina in 1997.

Document NYTF000020120708e8780007g

The New York Times

Business/Financial Desk; SECTB
VW to Buy Remaining Shares In Porsche

By BLOOMBERG NEWS

421 words

5 July 2012

The New York Times

NYTF

Late Edition - Final

3

English

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Volkswagen says it is able to proceed with its deal to buy the 50.1 percent stake in Porsche's automotive business that it does not already own for 4.46 billion euros (\$5.6 billion).

Volkswagen said Wednesday that it had reached an agreement with German tax authorities allowing the deal to go forward, ending a seven-year takeover ordeal that had divided two of Germany's most powerful families.

The cash deal is based on an equity value of 3.88 billion euros and also includes what the Porsche holding company would have received in dividend payments and half of the forecast synergies from the combination.

The agreement means Volkswagen can now fully fold the Porsche automaking business into its stable of brands, which includes Audi and Ducati motorbikes. The companies agreed to combine in 2009 after Porsche accumulated more than 10 billion euros of debt in an unsuccessful attempt to take over VW.

"We can now cooperate even more closely and jointly leverage new growth opportunities in the high-margin premium segment," VW's chief, Martin Winterkorn, said. "Combining their operating business will make Volkswagen and Porsche even stronger -- both financially and strategically."

VW said it expected Porsche's automaking business to be fully consolidated in its accounts from Aug. 1. Porsche's earnings contribution for this year will be mainly offset by the purchase price, VW said.

By revaluing its existing shares in Porsche, VW expects to book a noncash gain of about 9 billion euros and predicts a liquidity drain on its automaking division of about 7 billion euros.

The companies scrapped the plan for a full merger last year with the Porsche holding company, which is controlled by the Piech-Porsche family and still owns 50.7 percent of VW's common stock, because of lawsuits against Porsche in the United States and Germany over the failed VW takeover.

The deal announced Wednesday allows VW to buy Porsche's auto business without having to pay the taxes associated with exercising a put-call option it had taken to buy the stake. The agreement will result in 320 million euros in additional synergies because of the earlier completion.

Porsche's efforts starting in 2005 to take over Volkswagen split the controlling family. Ferdinand Piech, VW's chairman, crossed his cousin Wolfgang Porsche to thwart the plan, which fell apart after Porsche's debt rose in the middle of the financial crisis.

Document NYTF000020120705e8750006d

The New York Times

THE BLOG

Automobiles; SECTAU

Wildfires Cause Delay Of Pikes Peak Race

95 words

1 July 2012

The New York Times

NYTF

Late Edition - Final

4

English

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FIRES in the vicinity of Pikes Peak in Colorado have led organizers to postpone the annual hill climb race, which was scheduled for July 8. Organizers expect to hold the event later in the summer.

Andrew Lipman, an Audi spokesman, wrote in an e-mail on Thursday that Walter Rohrl, who Wheels reported was scheduled to drive a 1987 Audi Sport quattro S1 to the summit, still hoped to participate, but not in competition. He won the race in the same car in 1987.

Document NYTF000020120701e8710004x

The New York Times

Business/Financial Desk; SECTB

Ford Motor, Citing Europe's Woes, Says Foreign Losses to Triple in Quarter

By BILL VLASIC

854 words

29 June 2012

The New York Times

NYTF

Late Edition - Final

3

English

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DEARBORN, Mich. -- Europe's economic woes are taking a much bigger bite out of the profits of Ford Motor, which until now has largely avoided the hefty losses that have dragged down the profits of many of its rivals.

The company said on Thursday that its total international losses would triple in the second quarter, with Europe accounting for the most of the loss. Ford lost \$190 million in the first quarter in its international operations, which include Europe, South America and the Asia-Pacific region. Europe was responsible for \$149 million of the total.

The company's chief financial officer, Robert Shanks, said in an interview that conditions in Europe were "getting tougher," as manufacturers stepped up discounts to jump-start sales, which are at their lowest level in more than a decade. "We lost \$190 million in the first quarter, and it will be three times greater than that" in the second quarter, Mr. Shanks said in the interview, held at Ford's world headquarters.

A loss on international operations of \$500 million to \$600 million in the quarter, which will end on Saturday, would depress Ford's overall earnings for the period. The company previously forecast that international losses in the second quarter would be roughly the same as in the first quarter.

"We have good results in North America and solid results at Ford Credit," Mr. Shanks said. However, "the overall company profits will be substantially lower."

Ford shares, which were flat in regular trading on Thursday, fell about 3 percent after hours after online publication of the weaker forecast.

Ford has suffered less from the downward spiral in European vehicle sales than has General Motors, which is planning to close at least one assembly plant on the Continent.

But now Ford appears to be facing the same hard choices about plant capacity as G.M., Fiat and other carmakers.

Mr. Shanks said the company had "excess capacity" in Europe but declined to reveal specifics of any potential plans for reorganization.

"It's too soon to say what we are going to do," Mr. Shanks said. When asked if Ford would consider closing one of its five assembly plants to better align supply with demand, he said, "We're going to have to develop a plan that gives us an opportunity to do that."

Ford has an 8 percent market share in Europe, and last year it broke even in the region, where about 15.3 million total vehicles were sold. But with industry sales in Europe now running at a 14 million rate, Ford cannot make money, Mr. Shanks said.

"As we look ahead, this is not a cyclical issue," he said. "It's a structural issue."

Ford earned \$1.4 billion in the first quarter because of strong North American results. The company's home market contributed \$2.1 billion in pretax profits. The forecast for Ford's overall second-quarter results underscores how badly the European market is hurting even the healthiest companies.

Mr. Shanks, who took over as Ford's top finance official this year, said the difficulty of reaching a solution to the European economic crisis could force automakers to make decisions soon on revamping.

"If the leaders of Europe aren't able to come up with a really good plan to satisfy the financial markets, there could be severe consequences," he said.

He did not break out specific projections about the performances of South America and Asia-Pacific in the second quarter. But in a securities filing after the stock market closed on Thursday, the company said that it faced "growing competitive and pricing pressures" in South America and that it continued to incur big investment costs to catch up to other automakers like G.M. in Asia.

The South American division had a pretax profit of \$54 million in the first quarter, and Asia-Pacific reported a \$95 million loss.

Ford's disclosure came the same day that the board of Opel, G.M.'s European business, approved a business plan that it hopes will reverse years of losses there.

G.M. has already said it will close an Opel plant in Bochum, Germany, after 2016.

The company declined to reveal more specifics on Thursday about the overall turnaround effort, but said that it would "be instrumental in returning positive results" at Opel.

G.M. has been talking with its European unions for months on stemming its losses, which totaled \$256 million in the first quarter. The company's vice chairman, Stephen J. Girsky, said in a statement that it remained committed to its struggling European subsidiary. The business plan calls for larger investments in the region as well as revamping.

"G.M. stands behind Opel and supports management and labor," said Mr. Girsky, who oversees Opel's supervisory board.

Ford Fiestas and Fusions were shipped on the Rhine near Dusseldorf in 2009. The company said its operations in Europe had excess capacity and were suffering. (PHOTOGRAPH BY OLIVER BERG/EUROPEAN PRESS AGENCY)

Document NYTF000020120629e86t0004n

The New York Times

THE BLOG

Automobiles; SECTAU

BRZ Slow To Dealer, Fast Off Lot

By JONATHAN SCHULTZ

348 words

24 June 2012

The New York Times

NYTF

Late Edition - Final

4

English

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BUOYED by positive press and tight supplies, the rear-wheel-drive Subaru BRZ spent the least time in American showrooms of any car in May, according to Edmunds.

The service tracked the days to turn, commonly known as churn rate, for the coupe in May, its first month of sales. Demand for the 271 units sold by dealers translated to a churn rate of four days, Edmunds said. The Scion FR-S, which was developed with the BRZ, experienced a five-day churn.

With so much competition for so few BRZs -- initial interest from customers in Japan was four times as high as the automaker's projections -- how could Subaru so severely underestimate demand for the coupe?

One conclusion seems to be a lack of certainty by Fuji Heavy Industries, Subaru's parent, that a brand built around all-wheel drive could readily stretch to accommodate a lightweight, rear-drive sports car.

"The BRZ being rear-wheel drive, we made a conservative production request," Michael McHale, a spokesman for Subaru of America, said in a telephone interview. "We pegged our allotment roughly to sales of the WRX," he said, referring to the brand's rally-oriented all-wheel-drive sports car.

That conservative approach has led to complaints from every market where the BRZ will be sold. "There are only so many that can be built in the year, and if you want more, you have to take from another market," Mr. McHale added. "And nobody wants to give up their allocation."

In contrast to most Japanese automakers, who have been shipping production overseas to preserve their profit margins in the face of a strong yen, Fuji Heavy Industries intends to increase domestic production in the fiscal year ending in March 2013. Subaru has not announced its 2013 production targets for the BRZ, but American dealerships are expected to receive 6,000 units by the end of 2012.

IN DEMAND: The 2013 Subaru BRZ has become a hot property. (PHOTOGRAPH BY SUBARU OF AMERICA)

Document NYTF000020120624e86o0007w

The New York Times

ADVERTISING

Business/Financial Desk; SECTB

Being Acquisitive, With an Emphasis On More Media Muscle

By STUART ELLIOTT

1,015 words

20 March 2012

The New York Times

NYTF

Late Edition - Final

3

English

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CORRECTION APPENDED

IT is deja vu all over again, Madison Avenue style, as an agency holding group is, for the second time in two months, buying a leading independent media shop.

The holding company is MDC Partners, which acquired RJ Palmer in January. MDC is to formally announce on Tuesday that it is acquiring a majority stake in TargetCast TCM, a New York media agency that has 110 employees who work on accounts with more than \$600 million in billings from clients that include AMC, Expedia, Hotels.com, New York Life and Pfizer Consumer Healthcare.

And to underscore the growing importance of services like media buying and media planning in a digital era, with the acquisition MDC will form a division devoted to its media agencies, called Maxxcom Global Media. Steven J. Farella, chairman and chief executive of TargetCast TCM, will also serve as chief executive of the Maxxcom division.

(In another deja vu aspect of the deal, MDC used Maxxcom as a name for a division from 1999 to 2003. The revival is not unlike a decision by the Chrysler Group to bring back Dart as the name for a new Dodge. And, of course, the initials of Maxxcom Global Media spell out "MGM," but that appears to be a coincidence rather than a look back at the golden age of moviemaking.)

The MDC media agencies that will come under the Maxxcom umbrella, in addition to TargetCast TCM and RJ Palmer, are Integrated Media Solutions, Media Kitchen and Varick Media Management. The billings handled by the media agencies that will be part of Maxxcom are estimated at \$1.5 billion.

The bulking up of MDC's holdings in media suggests that its executives were well aware their presence in the media arena has been "relatively small," as Adage.com recently described it. "We knew we needed significant media clout and scale and critical mass," said Miles S. Nadal, chairman and chief executive of MDC. "Adding RJ Palmer and then TargetCast TCM will give us a tremendous platform to build from."

Mr. Farella's "mandate is to figure out how to optimize the value of our total media offering," he added, and to explore matters like "acquiring further capabilities" in the media area.

MDC owns all or part of 50 agencies. Most are outside the realm of media services, in segments like advertising and public relations. Among them are Allison & Partners, Anomaly, Crispin Porter & Bogusky, Kirshenbaum Bond Senecal & Partners, Laird & Partners, 72andSunny, Sloane & Company and Vitro.

MDC is known for its acquisitive ways, making 19 deals from 2009 through 2011 and several already this year that include, in addition to RJ Palmer and TargetCast TCM, agencies like Dotbox, which specializes in social commerce. MDC also signed a joint-venture agreement last week with Peralta, an advertising agency in Sao Paulo, Brazil.

"I think we will be more conservative going forward" in the number of agreements to be made, Mr. Nadal said, "but if unique opportunities come around, we will consider them."

TargetCast TCM was such an opportunity, he added, because "we have been looking at this for a long time, five years at a minimum."

"Steve has a superb reputation," Mr. Nadal said of Mr. Farella, and "he built a great management team and enjoyed tremendous growth."

The purchase price for the majority stake in TargetCast TCM is estimated at \$15 million to \$20 million. (The annual revenue of the agency is estimated at \$15 million; many deals being made on Madison Avenue these days are for around one times revenue.)

The price tag for RJ Palmer was estimated at \$25 million, including additional considerations based on future performance.

The acquisition of TargetCast TCM is coming days shy of its 10th anniversary. The agency was opened in April 2002 by Mr. Farella and Audrey Siegel, who is now president for client services; they both left the MPG media agency in 2001 to found their own media shop.

"We started this agency from zero, with lunch money," said Mr. Farella, who is 56, adding: "It's 10 years later. We want to take this agency to the next level, and we think with MDC we'll be able to do that."

The other, larger holding companies that had approached TargetCast TCM wanted the agency "to become part of one of their media networks, or two of their networks, or part of a third network, with TargetCast as the U.S. hub," Mr. Farella said.

"What we found attractive about this was that it's not taking TargetCast and making it part of something else," he added.

In leading Maxxcom, Mr. Farella said, his goal would be "to reinvent what a media holding company can do for individual agencies."

"There's got to be a new model, or it ain't worth doing," he added.

Ms. Siegel, also 56, said an acquisition by MDC appealed to her because "with the opportunity to work with a broader group of agencies within the MDC portfolio, we will find synergies in research, how we train our talent, how we retain our talent, the development of tools."

"That's very important to have as you take your business forward in a technology-enabled age," she added.

With the sale of TargetCast TCM, the ranks of independent media agencies have dwindled to include Empower MediaMarketing, Harmelin Media, Horizon Media, KSL Media and Mediasmith.

Will that list remain intact, or will there be another acquisition in a couple of months? Perhaps only a yogi could predict if *deja vu* will strike again.

Correction: March 22, 2012, Thursday

This article has been revised to reflect the following correction: The Advertising column on Tuesday, about the agency holding group MDC Partners' most recent acquisition, rendered the name of one of its existing agencies incorrectly. It is 72andSunny, not 72 and Sunny.

PHOTO: Steven J. Farella, left, Audrey Siegel and Steve Minichini of TargetCast TCM will become part of MDC Partners. (PHOTOGRAPH BY GABRIEL CID)

Document NYTF000020120322e83k00010

The New York Times

ADVERTISING

Business/Financial Desk; SECTB

Nissan Promotes Next New York Taxi as a Sign of Its Innovation

By STUART ELLIOTT

968 words

23 March 2012

The New York Times

NYTF

Late Edition - Final

3

English

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TAXICABS crowd the movies and TV shows about New York just as they crowd the streets of New York, as evidenced by "On the Town," "Taxi," "Taxi Driver," "Night on Earth" and "Cash Cab." Now comes a campaign that celebrates the city's taxi fleet, or at least what it is to look like beginning in fall 2013.

The campaign, scheduled to start on Monday, promotes the Nissan NV200 van, which in May won the Taxi of Tomorrow competition sponsored by New York City. The campaign is sponsored, not surprisingly, by the company whose entry won the contest, the Nissan North America division of Nissan Motor.

The campaign, with a budget estimated at \$2 million to \$3 million, is being produced by TBWA/Chiat/Day Los Angeles, the longtime creative agency for Nissan North America. The campaign includes billboards, events, social media, promotions and signs, many of which will be placed atop existing taxicabs.

"This is the greatest moment for taxis since Danny DeVito played Louie De Palma on 'Taxi,' " said Rob Schwartz, chief creative officer at TBWA/Chiat/Day Los Angeles, which is the Playa del Rey, Calif., office of the TBWA/Chiat/Day unit of TBWA Worldwide, a division of the Omnicom Group.

"The old Checker cab in New York was an icon and the black cab of London is an icon," he added. "This is a chance to be a new icon."

The campaign has two goals. One is to encourage visits to the NV200 taxi that will be on display at the 2012 New York International Auto Show, to be held at the Jacob K. Javits Convention Center from April 6 to 15. (Mayor Michael R. Bloomberg, who advocated the contest to redesign the cabs that cruise the streets of his city, and Carlos Ghosn, chief executive of Nissan Motor, are to appear with the NV200 at an event on April 3.)

The other goal of the campaign is to connect in the minds of consumers the selection of the Nissan van with what has been the theme of the Nissan campaign since August 2010, "Innovation for all."

The NV200 is "evidence of innovation," Mr. Schwartz said, from an automaker that is "really trying to develop fresh ideas."

In fact, the taxi campaign serves as a curtain-raiser for a separate campaign that will also begin on Monday. The second campaign heralds the arrival in Nissan showrooms of what are described as "five all-new models over the next 15 months," beginning with Altima and continuing with Pathfinder, Sentra, a hatchback Versa and Rogue.

Nissan North America plans to add \$100 million to its ad budget to market those five models as they arrive. The company spent \$496.5 million to advertise Nissan models last year, according to the Kantar Media unit of WPP, up from \$459.1 million in 2010 and \$341.2 million in 2009.

Nissan's efforts are not unusual for the automotive industry, which is trying to take advantage of a growing interest among consumers in buying cars and trucks again after they delayed the purchase of big-ticket items for several years. Automakers typically spend more money each year on advertising in the United States than any other category of marketer.

"We've known that in midyear 2012 we would start an onslaught of product launches," said Jon Brancheau, vice president for Nissan marketing at Nissan North America in Franklin, Tenn.

The campaigns are meant to "drive a stake in the ground," he added, "and build on our momentum." The Nissan brand in the United States set a record last year with sales of 944,073 vehicles, an increase of 17.3 percent from 2010.

It was not so long ago that an association with New York City was something brands shunned rather than saluted. But with less crime, more students applying to colleges here and record numbers of tourist visits, the Big Apple has become a big draw for marketers.

"We have been amazed at the level of interest around the world in the taxi," Mr. Brancheau said. For instance, the Nissan operation in China "has asked that the display vehicle" from the auto show "be sent there" for exhibition once the show has ended, he added.

And the NV200's victory in the competition is cited in ads in other countries for the regular versions of the van, a light commercial vehicle that Nissan Motor sells in Asian and European markets. "If it can make it in New York," one ad says, "it can make it anywhere."

A couple of ads in the taxi campaign explicitly link the contest to the Nissan brand theme. "Innovation for NYC," one headline reads. Another ad asserts that the cab "goes to the corner of innovative and cool." (Although some may wonder if a vehicle that resembles a minivan can be deemed cool.)

Other ads are lower key and humorous. "All hail," one headline declares. Another confides: "Kept it yellow. Changed everything else. Nissan taxi of tomorrow. Coming 2013." A third ad calls the NV200 "Taxi 2.0."

An element of the campaign that may draw attention is a billboard with an oversize sliding door, evoking the doors of the van. "The future of the auto industry?" the headline asks. "We can take you there."

And there are plans to give away to passers-by near the Javits Center foam fingers that can be used to hail cabs rather than root for sports teams. There will also be giveaways of gift cards worth \$15 to apply toward cab rides.

PHOTO: An ad for the new New York taxi, the Nissan NV200 van. A promotional campaign is scheduled to begin on Monday.

Document NYTF000020120323e83n0008i

The New York Times

BOOKS

Automobiles; SECTAU

Father's Day Reading: Gentlemen, Start Your Kindles

By JOHN LAMM

528 words

3 June 2012

The New York Times

NYTF

Late Edition - Final

2

English

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CORRECTION APPENDED

ENGINES OF CHANGE

A History of the American Dream in Fifteen Cars

By Paul Ingrassia

64 black-and-white and color photographs. 395 pages. Simon & Schuster. \$30.

So it was the Chevrolet Corvair that gave the nation eight years of George W. Bush?

Paul Ingrassia suggests just that in "Engines of Change." Then Mr. Ingrassia, a Pulitzer Prize winner and a former Detroit bureau chief for The Wall Street Journal, offers a good case for it.

His evidence? Ralph Nader makes his name as the Corvair's nemesis and becomes a consumer hero. As a presidential candidate in the 2000 election, Mr. Nader takes some 95,000 votes in Florida. As Mr. Ingrassia explains, "Bush lost the national popular vote to Al Gore, but prevailed in the Electoral College, when the U.S. Supreme Court upheld his tissue-thin victory in Florida."

So it goes... (Sorry, I'm an old Vonnegut fan.)

The Corvair is just one of 15 vehicles that Mr. Ingrassia uses to trace the intertwining of cars and culture in the last century or so. He begins with Henry Ford's Model T and finishes with Toyota's Prius hybrid, along the way including such varied machines as the La Salle, the Jeep, the Chevrolet Corvette, the Ford Mustang, the Chrysler minivan and the BMW 3 Series.

We get some insight into the thinking of the creators of those vehicles, not just Ford, but men like Harley Earl, who was General Motors' design guru; Lee A. Iacocca, who left his mark on Ford and Chrysler; and John Z. DeLorean, whose ill-fated automotive venture went bankrupt in the early 1980s. Among other things, we find out that Takeshi Uchiyamada, the father of the gas-sipping Prius, loved huge tail-finned Cadillacs as a child.

Mr. Ingrassia is quick with the back story. He explains the Volkswagen Beetle's success in the United States, a success that was a result in large part of Doyle Dane Bernbach's memorable advertising campaign.

Reading about the "civilizing" of the Jeep, we learn how Yvon Chouinard followed a similar path at Patagonia, which went from a little-known supplier of mountaineering equipment to become a household name as a maker of clothing for just about everybody to wear -- not just up mountains, but to the mall.

In "Engines of Change," Mr. Ingrassia arguably does for cars and culture what David Halberstam did for a decade in "The Fifties." History well researched, made alive, relevant and eminently readable. One small complaint: While the photos in the book document Mr. Ingrassia's copy, the story he tells begs for more. Sorry, traditionalists, but "Engines of Change" would be a terrific multimedia e-book.

JOHN LAMM

Correction: June 10, 2012, Sunday

This article has been revised to reflect the following correction: A review last Sunday about a book by Paul Ingrassia that traces the intertwining of cars and culture during the past century misstated the book's title in some editions. As a subheading correctly noted, it is "Engines of Change" -- not "Wheels of Change."

Document NYTF000020120610e8630001i

The New York Times

BEHIND THE WHEEL 2013 INFINITI JX35
Automobiles; SECTAU
Even With All Those Seats, the Driver Is Left Out

By LAWRENCE ULRICH

1,388 words

10 June 2012

The New York Times

NYTF

Late Edition - Final

1

English

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INFINITI'S advertising tagline is "Inspired Performance." And the mission statement of the Nissan luxury brand has long been clear: performance means taking whacks at BMW, and inspiration typically means undercutting BMW's prices, especially with the estimable G sedan and coupe.

Soft, sluggish and boring is the antithesis of that formula. But that's the fate of the JX35, a crossover that tries so hard to mimic other brands' family values -- while still being "different" -- that it ties itself into a knot.

The JX's targets are clear: the Acura MDX and Lexus RX, deserved favorites for shuttling late-for-school children and overpriced organic produce. The Infiniti's three rows of seats and squeezed-minivan proportions also recall two previous also-rans, the Chrysler Pacifica and Mercedes R-Class.

Yet the Infiniti misses the easiest targets. Its bland, pasteurized performance makes the Acura and Lexus feel like sport sedans by comparison. While the JX's second and third rows offer reasonable space -- no great feat considering its huge overall footprint -- the same can be said for haulers that drive better and cost less, like the Ford Flex and Explorer, the Buick Enclave and the Dodge Durango.

Most strangely, this Infiniti doesn't even offer the pretense of sportiness long associated with the brand; apparently that mission falls to the smaller FX, which is based on a rear-drive platform. Instead, the JX is all about maximum grocery-getting, a squishy-soft ride and a surfeit of electronic gadgets.

I understand the philosophy behind these high-priced pseudo-minivans: many moms and dads who refuse to settle for a minivan are willing to sacrifice some practicality for the sake of style or sporty performance.

Yet with the JX, Infiniti left out both the style and performance. The undisciplined design is a riot of swoops and lines that go everywhere and nowhere, fronted by the whalelike grille from the bigger QX45. Toward the rear, with its weirdly kinked side windows, there are so many tortured surfaces that Amnesty International should be on the case.

The attenuated roof and forward-canted rear glass also detract from utility. I'm 5-foot-11, and I twice bumped my head on the raised tailgate -- something I can't recall happening in any other vehicle this large.

The interior fares better, though the hard plastic upper dash and flat, slippery seats -- with too-glossy leather and ineffectual lumbar support -- don't uphold the luxury vibe.

As in the similarly styled M sedan, the maple accents are glossy and the switches well crafted. I appreciated the enormous moonroof over the second and third rows (part of a \$2,550 deluxe touring package). A storage cubby ahead of the center console kept my smartphone in check.

Where many infotainment systems flaunt screen-based, voice-driven functions, the Infiniti opts for the human touch: a 24-hour live concierge service called Personal Assistant, accessed via Bluetooth phone and complimentary for the first 12 months. The assistant can offer emergency help, directions or directory assistance; make dinner or travel reservations; and provide movie times, weather forecasts and more.

There is plenty of room in the split second row, whose seats recline and slide forward and backward. For maximum access to the third row, the seat cushions flip up against the seatbacks in a smart clamshell

arrangement. The second-row seat also tilts and slides simultaneously, allowing third-row entry even when a child seat is installed; it's probably the Infiniti's neatest feature.

Yet even where this Infiniti should be at its best -- providing a surfeit of utility -- there are issues. That second row is easy on the knees but hard on the toes, with too little space for feet under the chairs in front of you. The second row also doesn't fold fully flat, making it harder to slide and secure long cargo. And as in so many minivan substitutes, the third row is largely a no-trespassing zone for adults. My head met the ceiling and my knees pointed at the sky. Outward views were blocked by tall second-row headrests and by thick roof pillars with protruding speakers.

It didn't help that my test model featured dark brown seats with a gray-green exterior paint that reminded me of goose droppings.

Like its more affordable cousin, the 2013 Nissan Pathfinder that goes on sale later this year, the JX is built on a stretched version of the Nissan Murano's platform. Along with other crossovers in the Nissan family, the JX is powered by a 3.5-liter V-6 that makes 265 horsepower. A continuously variable transmission helps to lift fuel economy to an estimated 18 miles per gallon in town and 24 on the highway, or 18/23 with all-wheel drive.

If you think those specs sound workaday for a vehicle that can brush \$55,000, you'd be right. Nissan's V-6 has a supple powerband, but still takes 8.3 seconds to propel this roughly 4,400-pound wagon to 60 miles per hour -- about a second slower than the Lexus RX, which is itself no rocket.

The pluses are a supersoft ride and a quiet interior. But aside from that, I can't recall a more off-putting, sleepwalking driving experience in a luxury crossover. Put it this way: challenged to an on-track duel, and given the choice of a Honda Odyssey or this Infiniti, I'd take the Honda minivan.

The Infiniti seems to have numbing gel in its steering and mushy peas in its suspension. To make sure, I aimed the JX into a few fast downhill esses on the Taconic Parkway. The body pitched and the tires howled, so I gave up and started trolling for Kenny G on satellite radio. Yet the brakes did feel strong and sensitive.

With no joy to be had at the wheel, the driver must settle for Infiniti's electronic nannies -- many bundled into expensive option packages that ratchet up the price from a base of \$41,400 (\$42,500 with all-wheel drive) to \$50,000 and more.

Nissan's Around View Monitor wraps the vehicle in a 360-degree bird's-eye view. That monitor now detects objects approaching from the side. To that, add lane-departure and blind-spot warnings and interventions (the latter lightly applies individual brakes to nudge you back into a lane), forward collision warning and intelligent cruise control with braking assist.

Infiniti's latest is an industry first called backup collision intervention: If a reversing driver doesn't spot a car or pedestrian approaching from the side, the JX flashes a warning, then pushes back against the driver's throttle foot and finally brakes to prevent an accident.

An Infiniti commercial shows the JX automatically stopping for a child who crosses its path in a kiddie car. But the radar- and sonar-based system flunked in my hands.

When I backed slowly toward a hollow construction barrel -- a fairly large object -- the JX didn't notice the barrel and flash a warning until I was inches away. In three attempts, the JX bonked the barrel and never activated the brakes. My takeaway was that the system isn't foolproof and indeed could create a false sense of security.

Larded with every option in the barrel, my JX35 AWD test vehicle carried a price of \$54,800, on par with a loaded MDX.

The JX's defenders will point out, rightly, that many luxury competitors lack a third row. And for many American families, the hunt for a seven-passenger hauler -- one that's not a minivan -- is a quest on par with "Moby-Dick."

For that reason alone, I actually think the Infiniti will be popular. But the crossover's awkward style and galumphing performance would set off my warning bells -- my Buyer Intervention and Avoidance System, if you please -- and steer me to more satisfying rivals.

INSIDE TRACK: Bigger, not better.

VAN SUBSTITUTE: The JX has three seat rows and a host of electronic gadgets. (AU1); LOOK HERE: Unusual shapes and kinky lines define the JX's styling. (PHOTOGRAPHS BY NISSAN NORTH AMERICA)(AU4)

The New York Times

Business/Financial Desk; SECTB

G.M. Says It May Propose Pension Buyouts to Union

By BILL VLASIC

686 words

13 June 2012

The New York Times

NYTF

Late Edition - Final

3

English

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DETROIT -- General Motors may seek a deal with the United Automobile Workers to offer pension buyouts to union retirees similar to offers made recently to 42,000 white-collar retirees.

G.M.'s chief executive, Daniel Akerson, said on Tuesday that the company could discuss the possibility of pension buyouts with the U.A.W. before the current union contract expired in 2015.

"We can bring it up," Mr. Akerson told reporters before G.M.'s annual meeting. "I'm not saying we're going to do it, but it's something we could look at if the opportunity should arise."

G.M. announced on June 1 a broad plan to reduce its long-term pension liabilities for salaried workers.

About 42,000 of G.M.'s 118,000 salaried retirees and surviving spouses are eligible to receive lump-sum payments in exchange for giving up their monthly pension checks.

G.M. plans to buy annuities from Prudential Insurance for those retirees who remain in the pension system. The change effectively removes a portion of the company's long-term pension obligations from its balance sheet.

The lump-sum offers have been sent to all G.M. salaried workers who retired between October 1997 and December of last year, said a G.M. spokesman, Randy Arickx. The retirees have until July 20 to accept or decline the payments.

With the moves already announced, the automaker hopes to reduce its \$134 billion long-term global pension obligations by \$26 billion.

Currently, the company's global pension plans are underfunded by \$25 billion.

The Ford Motor Company is making a similar effort to cut long-term pension liabilities with coming buyout offers to all of its 98,000 salaried retirees in the United States.

A buyout program for G.M.'s union retirees would further reduce long-term obligations. The company has more than 400,000 blue-collar retirees and surviving spouses.

Mr. Akerson said pension buyouts were discussed with union leaders during last year's negotiations on a four-year labor agreement. He stressed that there were no current discussions, but he was open to the possibility.

The president of the U.A.W., Bob King, could not be reached for comment on Tuesday.

The white-collar pension changes were among the highlights Mr. Akerson cited in summarizing 2011 for about 50 shareholders who attended the annual meeting, held at the company's headquarters.

It "was a good year, but it wasn't a great year," he said. "We have much more work to do because making G.M. great again is what we are working toward."

G.M. reported profit of \$7.6 billion last year as it continued its comeback from its government-financed bankruptcy in 2009.

The company is still struggling with big losses in Europe but has returned to solid profitability in North America.

Mr. Akerson said the company was about to begin "one of the biggest global product offensives in our history." In the United States, he said, 70 percent of the company's models will be refreshed or revamped by next year.

But he acknowledged that the European financial crisis was the largest drag on G.M.'s financial results and its stock price. The company's stock is down about one-third from its initial public offering of \$33 a share in the fall of 2010.

"First and foremost we have to fix Europe," Mr. Akerson said.

The chief of the company's European division is expected to detail a restructuring plan on June 28 that could include plant closings.

G.M. is in talks with union leaders in Germany about staffing levels and future product plans and recently reached labor agreements with its unions in England and Poland. Mr. Akerson said he expected the company to also achieve cost savings from its new partnership with the French carmaker Peugeot Citroen.

Daniel Akerson, center, the General Motors chief, during a factory tour on Monday in Michigan. (PHOTOGRAPH BY STEVE FECHT FOR GENERAL MOTORS)

Document NYTF000020120613e86d00034

The New York Times

Business/Financial Desk; SECTB

Saab Automobile Sold to an Investor Group

By DAVID JOLLY

814 words

14 June 2012

The New York Times

NYTF

Late Edition - Final

3

English

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More than a year after it last made a car, Saab Automobile of Sweden was sold on Wednesday to a group of Chinese, Japanese and Swedish investors who plan to convert the company into a manufacturer of electric vehicles.

Saab's bankruptcy administrators, Anne-Marie Pouteaux and Hans L. Bergqvist, said in a statement that the company was being acquired by National Electric Vehicle Sweden, a company set up for buying Saab assets. The price was not disclosed.

"We will match Swedish automobile design and manufacturing experience with Japanese E.V. technology and a strong presence in China," Karl-Erling Trogen, National Electric Vehicle's chairman, said in the statement. "Electric vehicles powered by clean electricity are the future, and the electric car of the future will be produced in Trollhattan," the town in Sweden where Saab is based.

Saab was sold by General Motors to Victor R. Muller, a Dutch entrepreneur, in 2010. But it never recovered from years of underinvestment and the financial crisis.

Production at Saab's main factory in Trollhattan ground to a halt in the spring of 2011 as cash dried up. Established automakers explored a possible purchase but declined, and potential Chinese buyers were discouraged from bidding by G.M.'s claim to major technology rights.

The company and its 3,000 workers ran out of time in December, and Saab filed for bankruptcy.

"The sale to N.E.V.S. is our most important action to realize the assets of the estate," the administrators said. "From the outset, it has been our ambition to find a comprehensive solution by the summer, so we are very pleased today, having reached this agreement."

National Electric Vehicle said its first model would be based on the current Saab 9-3, with the addition of Japanese technology. It said it hoped to have it on the market by the end of 2013 or early 2014. It will also be working to introduce an all-new electric model to be sold initially in China.

Mattias Bergman, a spokesman for National Electric Vehicle, said: "The plan is not to sell only to China. There is a global plan, but China is the initial focus."

Some analysts are skeptical.

"We're struggling to see how this enterprise is going to work," said Ian Fletcher, a senior analyst in London for IHS Global Insight. "Do they have some kind of magic bullet?"

The market for electric cars, Mr. Fletcher said, "is tiny."

He also said that because of the challenges of battery capacity, most electric cars were small and designed for city driving, while the Saab 9-3 was a midsize car, something that could leave it with a short driving range in its usual environment. And exporting cars to China is expensive, because of import duties, he said.

"The only reason I can think of to make them in Trollhattan is that maybe it would take too long to get the necessary approvals to make them in China," Mr. Fletcher said.

Mr. Bergman, the spokesman, declined to discuss the size of the investment in Trollhattan, and he declined to identify the Japanese companies with which Saab's investors would be working, though he said Japanese manufacturers would be called on for both parts and licensing. And the batteries, a critical component of electric vehicles, "will be based on Japanese technology and imported from Asia," he said.

The new investors will have their work cut out for them. The arrival of the electric vehicle era has been hindered by technological obstacles, including a lack of infrastructure, high costs and slow acceptance at a time when hybrid vehicles are already well established.

In the United States, the Obama administration has set a goal of getting a million electric vehicles on the road by the end of 2015, and has invested about \$2.4 billion in the effort.

The Chinese government had sought to be able to produce at least 500,000 hybrid or all-electric cars and buses a year by the end of 2011. The efforts of both countries are well behind schedule.

Some Chinese companies that initially invested heavily in electric cars are now hedging their bets with hybrids.

National Electric Vehicle Sweden is 51 percent owned by National Modern Energy Holdings, a Hong Kong investor in alternative energy.

The rest is held by Sun Investment, a Japanese venture capital firm founded by Sanefumi Sammy Shoji, a former Goldman Sachs banker.

National Modern Energy Holdings' founder, Kai Johan Jiang, is a Chinese businessman with Swedish nationality. He is also the founder of Dragon Power, a Chinese biofuel company, and an economic policy adviser to the Shandong provincial government.

Kai Johan Jiang is the founder of National Modern Energy, part of the group buying Saab. (PHOTOGRAPH BY ERIK ABEL/BLOOMBERG NEWS)

Document NYTF000020120614e86e00039

The New York Times

DEALBOOK
Business/Financial Desk; SECTB
Millennial Shares Have Strong First Day

By MICHAEL J. DE LA MERCED

495 words

30 March 2012

The New York Times

NYTF

Late Edition - Final

7

English

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The market for initial public stock offerings is riding high as another company has soared in its first day of trading.

On Thursday, shares of Millennial Media, a mobile advertising company, closed at \$25, nearly double its initial offering price of \$13.

Millennial's results came a day after the strong debut of Annie's, the organic food maker, whose shares rose 64 percent on Wednesday, their first day of trading. Shares in Annie's, based in Berkeley, Calif., rose an additional 5.6 percent on Thursday, to \$37.92.

Since the beginning of the year, about 85 percent of all offerings in the United States have risen above their initial offering price, according to Renaissance Capital, a research firm. A quarter have increased more than 50 percent from that initial level.

The recent results suggest that the market for newly public companies is returning to life after a period of weakness. Investors, eagerly awaiting the debut of the social network Facebook, are pouring their money into smaller offerings in the meantime.

"There's hardly been a deal that has not worked since February," said Scott Sweet, a managing partner of IPOboutique.com. "The I.P.O. market is more frothy now."

Technology is among the most attractive areas. Millennial's market debut was the strongest for a tech company since LinkedIn went public in May. Its stock performance on Thursday showed investors' desire to tap into the growing use of smartphones like iPhones and Android devices.

Investors also do not seem deterred by potential red flags. Rexnord, which went public on Thursday, is using proceeds from its stock sale to pay down as much as \$300 million in debt. Investors have sometimes shied away from such offerings, wary of buying into a company with a hefty debt load that needs to be paid down. But Rexnord and Allison Transmission, a vehicle parts maker owned by the Carlyle Group and Onex, which went public on March 15, have remained above their offering prices.

Still, the strong performances of companies this week is only starting to make up for the initial public offering drought. Over the last year, the number of global initial offerings is down more than half, to 45, according to Renaissance data.

Investors are still being discerning. Shares in CafePress, an e-commerce specialist that personalizes merchandise like T-shirts, closed at \$19.03 on Thursday, only three cents above its initial offering price. Merrimack Pharmaceuticals, which specializes in cancer treatments, tumbled 13.7 percent in its debut on Thursday, closing at \$6.04.

Not all companies that went public this week had substantial jumps in stock price, however.

This is a more complete version of the story than the one that appeared in print.

PHOTO: Paul Palmieri, center, chief executive of Millennial Media, at the Big Board on Thursday.
(PHOTOGRAPH BY BEN HIDER/NYSE EURONEXT)

The New York Times

WHEELS

Automobiles; SECTAU

The Blog: Death Rate Falls Among Teenage Drivers

By CHERYL JENSEN

987 words

3 June 2012

The New York Times

NYTF

Late Edition - Final

6

English

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In news that ought to relieve parents, the death rate of teenage drivers has fallen steadily and dramatically in the United States since 1996, when states began enacting graduated driver licensing laws. Analysis of the death rate was recently performed by the Insurance Institute for Highway Safety and its affiliate organization, the Highway Loss Data Institute, which are financed by the insurance industry.

According to the research, which was condensed and released in a report Thursday, many deadly crashes involving teenage drivers between 1996 and 2010, the last year for which complete data was available, were attributed to those drivers' inexperience behind the wheel.

Graduated driver-licensing programs introduce driving privileges little by little, with the intention of minimizing potential distractions to new drivers and to shield them from high-risk situations like driving at night and with passengers from their age group. Earlier research performed by both organizations indicated that states with the strongest laws experienced the biggest reductions in fatal crashes among drivers aged 15 to 17 years old compared with states with weak laws.

The five principal components of these laws are the age at which a teenager can obtain a permit; the number of practice driving hours required; the age at which a teenager can test for and receive a license; restrictions on night driving; and limits on the number of teenage passengers allowed in the car. The new analysis was performed to encourage states to improve their graduated licensing laws. There is no national system, so laws vary by state.

According to the report, the death rate, which was based on 15-to-17-year-old drivers involved in fatal crashes per 100,000 teenagers, fell 68 percent for 16-year-old drivers. The downward trend continued for other teenagers, with a decline of 59 percent for 17-year-olds, 52 percent for 18-year-olds and 47 percent for 19-year-olds. And for the first time since the institute began keeping records in 1996, the death rate among 16-year-old drivers fell below that of drivers age 30 to 59.

"It's just a dramatic drop," Anne McCartt, the senior vice president for research at the institute, said in a telephone interview. She qualified, however, that more could be done. There are also preliminary signs that the data from 2010 may indicate the end of the good news.

A study by the Governors Highway Safety Association found that the death toll for teenage drivers age 16 and 17 increased by 11 percent in the first six months of 2011, as reported by Wheels in February.

Instead of waiting for the National Highway Traffic Safety Administration to release data pertaining to deadly crashes for all of 2011, the governors association, prompted by reports suggesting there may have been an uptick in deaths involving teenage drivers, surveyed 50 states and Washington for the first six months, according to Jonathan Adkins, a spokesman for the association. The traffic safety administration also uses this state-reported data to develop its Fatality Analysis Reporting System, or FARS, an annual census of the year's traffic deaths.

"If it is the beginning of a different direction, it's not clear why that would be," Ms. McCartt said of the governors association study. "We will have to wait until we have the more detailed crash data to take a look. I expect the final numbers will be similar" to what the governors association found, she said. "But I don't have an explanation

for why teen crashes would be up." Ms. McCartt also noted that rates of fatal crashes can vary from year to year and an uptick may not be indicative of a greater trend.

Regardless of the preliminary 2011 data, the trend from 1996 to 2010 offered ample proof of the efficacy of graduated licensing laws, the organization noted. Even so, the study's authors said there was still work to do. To that end, the institute released an online calculator intended to be used by state lawmakers to demonstrate how much they could lower teenage-fatality rates and collision claims if they were to adopt the most strict licensing laws in the country.

"We tracked the changes in the fatal crash rates quarter by quarter in all 50 states and looked at how those changes in fatal crash rates related to how the laws were changing," Ms. McCartt said.

The calculator pulls data from the government's FARS database. Individual states' collision claims are sourced from the database maintained by the Highway Loss Data Institute. The institute receives its data from member insurers, who process the great majority of all automobile collision claims, Ms. McCartt said.

The institute previously used a rating system to gauge the efficacy of various states' graduated licensing laws, in which a state's system would receive a rating ranging from Poor to Good. "But we decided that something like the calculator was a much more effective way to help states figure out what they could do to make the biggest difference," Ms. McCartt added.

South Dakota, for example, allows teenagers to obtain a license three months after their 14th birthday, the youngest licensing age in the nation, according to the institute. If the state were to increase its licensing age to 17, it would experience an estimated 32 percent reduction in fatal crashes among young drivers, the researchers said.

"We are saying we understand that there might be resistance to some of these things and it might not be possible to do," Ms. McCartt said. "But they can focus on night driving restrictions, on passenger restrictions. There is a range of things states can do to improve the situation even if they can't match the best states."

This is a more complete version of the story than the one that appeared in print.

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The New York Times

WHEELS

Automobiles; SECTAU

Barn-Find Chrysler Heads to Greenwich

By ROB SASS

572 words

3 June 2012

The New York Times

NYTF

Late Edition - Final

8

English

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This weekend, the 17th edition of the Greenwich Concours d'Elegance will do much to stoke the allure of the barn find. To some attendees, an unlabeled 1937 Chrysler Imperial limousine, complete with cigarette butts in the ashtray and peeling paint, will represent a gilded sarcophagus with the mummy inside. The car was exhumed recently, wearing a thick patina of dust, from the former estate of William K. Vanderbilt II in Centerport, N.Y., on Long Island, and is scheduled to be featured at the concours, its first public viewing since 1986.

Commissioned by Walter P. Chrysler for his wife, Della, the custom Imperial C-15 Town Car was not idly named; it was the prewar equivalent of an imperial sedan chair.

Howard Kroplick, a Long Island resident, car collector and automotive historian, said he noticed the limousine, which was designed by the coach builder LeBaron with an open chauffeur's compartment, garaged in an outbuilding on the estate. Mr. Kroplick is a research volunteer at the Vanderbilt estate, or Eagle's Nest, as it was called by its former occupants, which was converted to the Suffolk County Vanderbilt Museum in 1950.

It was while organizing an exhibition about the Vanderbilt Cup Races, a series of road races held on Long Island in the early 20th century and financed by Vanderbilt, that Mr. Kroplick first considered acquiring the car, which was tucked rather forlornly in the curator's cottage, its bumpers having been removed to get the nearly 20-foot-long form inside.

Mr. Kroplick set about learning the Imperial's history.

"The car was donated to the Vanderbilt Museum in 1959 by a collector named Harry Gilbert, a millwork executive," he said in a telephone interview. "It was shuttled from garage to garage by the museum and occasionally displayed until 1986, but it was never particularly well cared for."

When he made inquiries, the museum did not seem to know what to do with the majestic old Chrysler, only noting that the car would likely be sold to raise funds at some point, to which Mr. Kroplick responded that he would be a likely bidder. When the museum offered the car in a private auction last year, Mr. Kroplick won with a bid of \$275,000.

"It's completely unrestored. Only 25,000 miles on it," he said.

Until last weekend, the Imperial had not run since 1986. "There were dried-up old cigarettes, maybe even Walter P. Chrysler's, still in the ashtray," Mr. Kroplick said. Other than a cursory wipe-down with a chamois, the Imperial has not received much in the way of beautification treatments.

Mr. Kroplick is not certain whether he should keep the car in its original condition or perform a sympathetic restoration. He seemed genuinely surprised that people would want to see the car in its present state. "I certainly hadn't planned on showing it at a concours this year," he said.

The Greenwich Concours d'Elegance is scheduled for Saturday and Sunday, and runs from 10 a.m. to 5 p.m. Admission is \$30 per day or \$45 for both days, and children 12 and under are admitted free when accompanied by an adult.

This is a more complete version of the story than the one that appeared in print.

Page 52 of 189 © 2014 Factiva, Inc. All rights reserved.

UNRESTORED: The 1937 Chrysler Imperial limo. (PHOTOGRAPH BY CHRYSLER CORPORATION)
Document NYTF000020120603e8630007m

The New York Times

Automobiles; SECTAU

2 Gearboxes to Drive 4 Wheels

271 words

3 June 2012

The New York Times

NYTF

Late Edition - Final

4

English

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RATHER than use a conventional all-wheel-drive transfer case, Ferrari bolts two transmissions to the FF's V-12 engine, drawing torque from both the front and rear of the crankshaft to drive, respectively, the front and rear wheels.

At the rear axle, the FF employs the same 7-speed automatic found in every other Ferrari road car. The front transmission, with only two forward gear ratios, is the patented innovation that makes the drivetrain half the weight of a typical all-wheel-drive system.

When the rear gearbox is in first or second gear, the front transmission engages its lower ratio; the higher-ratio front gear covers third and fourth at the rear. There's also a cog for 4-wheel-drive operation in reverse. Beyond fourth gear, only the rear wheels receive power.

The ingenuity lies in making the 2-speed and 7-speed transmissions turn the wheels in harmony, since the gear ratios are never equal. Computer-controlled clutch packs allow a precise amount of slip between the transmission and each front wheel to match the speeds of the front and rear axles.

Because the left- and right-wheel clutches are independently controlled, the system can apportion torque from side to side. In most conditions, four-wheel drive isn't necessary, and the FF operates as a rear-drive car.

Ferrari says all-wheel drive was added for all-weather security, not to enhance performance. But the extra grip also shaves a couple tenths of a second off the FF's acceleration from 0 to 60 m.p.h.

Document NYTF000020120603e86300086

The New York Times

BOOKS

Automobiles; SECTAU

Father's Day Reading: Gentlemen, Start Your Kindles

By JAMES SCHEMBARI

333 words

3 June 2012

The New York Times

NYTF

Late Edition - Final

2

English

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AUSTIN-HEALEY

The Bulldog Breed

By Jon Pressnell

50 black-and-white and 125 color illustrations. 160 pages. Haynes Publishing. \$39.95.

First a warning. This book is going to be expensive. Beyond its cover price, you have to figure in what you're going to spend on an Austin-Healey, because by the time you finish reading, you're going to want one.

Austin-Healey was, of course, the British carmaker that after World War II produced classics like the startling 100, the sought-after 3000 and the Bugeye Sprite. Run by Donald Healey, a race driver with an enduring charm, the company that carried his name lasted 18 years. Mr. Pressnell's history is a fascinating story of the brilliance, the battles and the happenstance that created one memorable car after another.

That story begins in a cement-mixer factory where the company assembled the chassis for its first cars. The war had created shortages of steel, forcing Healey to turn to aluminum, but there was plenty of wood around, including a surplus of coffin bottoms that Healey recycled into the cars.

The book is full of such details, although at times Mr. Pressnell seems to assume that readers have some previous knowledge of the events he's writing about. But what is truly insightful is how Healey produced vehicles that were made from a little of this and a bit of that: engines from one company, body panels from another and paintwork from yet another. This kind of collaboration created the 100, but years later the same strategy resulted in the troubled Jensen-Healey.

The sidebars, in which the author takes readers on wonderful test drives of each Healey, are special treats. Mr. Pressnell also provides buying tips, noting, for example, that the 3000's body and chassis are prone to rust severely. As I said, this illuminating book is going to be expensive.

JAMES SCHEMBARI

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The New York Times

Automobiles; SECTAU

Pointing the Way to Where E.V. Drivers Can Plug In

By JIM WITKIN

626 words

6 May 2012

The New York Times

NYTF

Late Edition - Final

2

English

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IN the effort to establish standards that will encourage the acceptance of electric vehicles, there has been much wrangling over the development of a universal design for the plugs that connect battery chargers to cars.

That is not the only E.V. debate under way, however. A less contentious, but still important, issue -- the look of the road signs that tell drivers where they can top off a waning battery -- has yet to be resolved.

Of equal urgency, there is no broad agreement to define the signs that warn drivers of vehicles powered by internal combustion engines not to park in designated charging spaces -- a nuisance that E.V. owners call "being ICed."

An estimated 5,000 public charging spots are available nationwide, according to Plug In America, an electric vehicle advocacy group, occupying parking spaces on city streets and at shopping mall parking lots. Settling on a standard set of signs with an instantly recognizable logo, like the symbol used for handicap parking spaces, will be key to expanding the public charging network, said Richard Lowenthal, chief technical officer at Coulomb, a Silicon Valley company that makes charging systems.

He knows this from personal experience. In search of watts for a Chevrolet Volt on a recent trip to the airport near San Francisco, he used a smartphone app to locate a charger on the first floor of a parking structure -- where he discovered that the first floor was "a big place." Running late for his flight and searching for the charger provided a lesson in the need for better directional signs, he said.

Standards for traffic signs are in the Federal Highway Administration's Manual on Uniform Traffic Control Devices. The manual's 2009 edition includes a sign with the image of an E.V. charger that can be used, along with arrows, to guide drivers to the charging spot; the latest version of the symbol resembles a gas pump with an electric cord and plug attached. But the manual does not specify a sign to clearly indicate that a spot is reserved for charging and that penalties may apply for others who park there.

Most state and local transportation authorities conform to the federal standards to mark public roads. But for chargers off the public road, E.V. station owners place directional signs at their discretion, Mr. Lowenthal said.

Plug In America helped to formulate guidelines for Washington State in 2010, covering the entire process of installing charging stations, the first of its kind, according to Dan Davids, a director with the group. Many municipalities around the state and elsewhere are using these for developing local ordinances, he said.

The group suggests following the federal standards for directional signs, placing "directional arrows at all decision points." To mark the spot, it advises using the internationally recognized no-parking sign, a "P" in a red circle with a slash through it, with the words "Except for Electric Vehicle Charging."

Other groups are choosing to create their own distinct symbols, like the plug logo created by Portland General Electric, which serves the Portland, Ore., area. The company developed the logo in 2008 before the 2009 federal standards became available, according to Stan Sittser, the utility's electric transportation manager.

The utility has trademarked the symbol -- and specifies precisely how it must appear -- but offers it free to organizations installing charging stations.

"We're positioning electricity as a transportation fuel, which is a new way of thinking," Mr. Sittser said. "So we wanted a new symbol that captures and celebrates that."

PHOTO: POWER UP: Portland General Electric specifies how its charging station logos can be displayed.
(PHOTOGRAPH BY PORTLAND GENERAL ELECTRIC)

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The New York Times

Business/Financial Desk; SECTB

Higher Taxes and a Loss in Europe Hurt Ford Profit

By NICK BUNKLEY

1,056 words

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2

English

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DEARBORN, Mich. -- The Ford Motor Company on Friday said that its profit fell by almost half in the first quarter, as higher taxes and a loss in Europe overshadowed improvements in its North American business.

Ford reported net income of \$1.4 billion, 45 percent less than the \$2.55 billion it earned in the same period of 2011. Revenue declined 2 percent, to \$32.4 billion.

Officials attributed about half of the decline to the company's tax rate quadrupling from a year ago. In addition, its European business swung to a \$149 million pretax operating loss from a \$293 million operating profit.

Excluding taxes and special items, Ford earned \$2.29 billion, or 39 cents a share, its 11th consecutive quarterly operating profit. That is 19 percent less than a year ago, when it earned \$2.84 billion, or 47 cents a share, but higher than Wall Street's average estimate of 35 cents.

"Our team delivered a solid performance during the first quarter, with particularly strong results in North America, despite a challenging global external environment," Ford's chief executive, Alan R. Mulally, said in a statement. "We remain focused on investing for future growth and developing outstanding products with segment-leading quality, fuel efficiency, safety, smart design and value."

Ford earned \$2.13 billion in North America, compared with \$1.84 billion in the first quarter of 2011. The company said that was the highest quarterly profit for the region since at least 2000, when it began reporting North American results separately.

The improvement was a result of higher sales and prices paid by customers, even as increasing gasoline prices prompted a shift toward smaller vehicles.

Ford's chief financial officer, Robert Shanks, pointed out that Ford's previous high mark in North America came in 2004, when sales volumes were double and customers were flocking to big, expensive sport utility vehicles. Its profit margin last quarter was 11.5 percent, compared to 9.2 percent in 2004.

"We're making that same profit with substantially less volume and with a greater mix of cars versus trucks," Mr. Shanks said in a conference call with analysts and reporters.

The automaker recorded positive automotive operating-related cash flow for the eighth consecutive quarter, increasing cash reserves to \$23 billion from \$21.3 billion a year ago.

Separately, Ford said it would begin offering 90,000 salaried retirees and former employees in the United States the option of taking a lump-sum pension payment, a move that should decrease the liabilities of its underfinanced pension plans.

The payments, which will vary based on an individual's age, years of service and earnings history, are intended to reduce overall obligations and save the pension plans more money in the future than they will have to pay out now. Ford will begin making the offers in July and roll them out over the course of a year.

"This is the first time a program of this type and magnitude has been offered by a U.S. company for ongoing pension plans," Ford said in its statement.

Ford's global pension plans had \$74 billion in liabilities at the end of 2011 but were underfinanced by \$15.4 billion.

For the full year, Ford said it expected operating profit and margins in North America to be "significantly higher" than in 2011, allowing global operating profits to be roughly flat. It said operating profit would be higher in the second half than in the first half because of product introductions and production increases, including plants scheduled to open in Thailand and China.

"We feel really good about the quarter and what it portends for the rest of the year," Mr. Shanks said. "It demonstrates not only the much leaner cost structure that we have, but our ability to do well no matter what the customer wants to buy."

Ford this month increased its industry light-vehicle sales forecast for the United States in 2012 to a range of 14.3 million to 14.8 million. But it said it expected its market share to decline because it would not be able to raise output quickly enough to match the market's growth.

"We just simply can't keep up with what we think will be the level of consumer demand," Mr. Shanks said. "It's not going to affect profitability because we'll still build what we thought we would or a little bit more."

Ford, like other automakers, has been cautious about increasing production capacity after closing plants and eliminating tens of thousands of jobs in the last decade.

Peter Nesvold, an auto analyst with Jefferies and Company, said Ford's "extraordinary" profit margin in North America easily surpassed his and other forecasts. "These are levels of profitability that few ever expected to see from the Detroit Three," he wrote in a note to clients on Friday.

The higher tax rate decreased first-quarter net income by \$612 million. At the end of 2011, Ford released a tax-valuation allowance that had reduced its effective tax rate in recent years. The move, which signaled an expectation of considerable profit in the years ahead, added \$12.4 billion to its 2011 net income, which totaled \$20.2 billion.

The profits and sales gains that Ford has made since 2009 have brought the company closer to regaining control of assets, including its blue oval logo, that it pledged as collateral on more than \$23 billion in loans in 2006. The loans allowed Ford to avoid following Chrysler and General Motors into bankruptcy, though it now has more debt on its balance sheet than its Detroit rivals.

Fitch Ratings this week upgraded Ford's credit rating to investment grade, a status it lost in 2005. An investment-grade rating from either Moody's Investors Service or Standard & Poor's, would release the collateral.

Compared to its crosstown rivals, Ford is the furthest along in its recovery from the recession, but all three are now profitable. Chrysler reported first-quarter net income of \$473 million on Thursday, a fourfold increase from a year ago. General Motors is expected to report a profit next week, after earning \$7.6 billion in all of 2011.

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The New York Times

COMMON SENSE

Business/Financial Desk; SECTB

Auto Bailout Critics, A Word: Lehman

By JAMES B. STEWART

1,348 words

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The New York Times

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Late Edition - Final

1

English

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Would Americans be better off if General Motors and Chrysler had simply gone bankrupt, without benefit of taxpayer assistance?

For the Republican presidential candidates Newt Gingrich, Mitt Romney and Rick Santorum, the answer is emphatically yes. They've outdone one another denouncing the auto bailout. Mr. Romney told The Detroit News that the government's rescue of the American auto companies amounted to "crony capitalism on a grand scale" and has argued that G.M. should have gone through a Chapter 11 bankruptcy without taxpayer assistance. According to Mr. Santorum, "the government should not be involved in bailouts, period." Mr. Gingrich called the auto industry rescue "a violation of 200 years of bankruptcy law."

Unlike a science experiment, in which variables can be changed and the experiment repeated, we can't turn back the clock, let the auto companies go bankrupt and compare the results with what we have today, which is an American auto industry that is, by nearly all measures, healthier than it's been in many years. G.M. and Chrysler, not to mention Ford, which didn't get taxpayer money but benefited indirectly, are profitable, hiring more workers, competing more effectively, gaining market share and building better cars and trucks. But we do have a contemporaneous case study by which to measure the auto bailout: Lehman Brothers, which remains the largest bankruptcy ever measured by assets.

This week the once venerable investment bank emerged from three and a half years in Chapter 11. Gone, along with the gleaming Midtown Manhattan tower now branded with the Barclays logo, are most of the more than 25,000 jobs once on the firm's payroll and nearly all the over \$600 billion in assets that once swelled its balance sheet. Lehman still owns a large portfolio of troubled real estate assets and derivative securities. Its only reason for existence is to manage those assets to pay off its remaining creditors, whose claims total more than \$300 billion. It remains mired in contentious litigation.

Lehman's bankruptcy was untainted by any taxpayer money or government rescue operation. After efforts to arrange a private rescue failed, the Treasury Department, Federal Reserve and White House decided not to rescue it, but instead to try to limit the consequences by putting "foam on the runway," as the New York Federal Reserve chief at the time, Timothy F. Geithner, put it. We all know the results: a near-catastrophic collapse of investor confidence, plunging markets and the Great Recession.

Even so, a case can be made that Lehman fared much better than could have been expected for either G.M. or Chrysler. Within days of Lehman's collapse, Barclays stepped in and bought its core investment banking unit. That gave Lehman the cash to keep managing the remaining assets, and it subsequently was able to borrow what is known as debtor-in-possession financing to keep operating through the Chapter 11 process. Barclays kept about 10,000 Lehman Brothers employees.

None of those options were available to G.M. or Chrysler. Months into the financial crisis, rapidly running out of cash, the auto companies couldn't find anyone interested in buying their assets. Even if they could, no banks were in a position to lend to would-be acquirers, nor would they provide the financing needed to keep the automakers operating during the Chapter 11 process. When G.M. filed for bankruptcy in June 2009, a Federal District Court ruled that the Treasury was the only potential source for the \$15 billion in DIP financing G.M. needed to continue operating. The court also oversaw and approved G.M.'s emergence from bankruptcy, contrary to Mr. Gingrich's contention that G.M.'s reorganization was a "violation" of bankruptcy law.

I spoke this week to Harvey R. Miller, a partner at Weil, Gotschal & Manges in New York and a prominent bankruptcy expert who advised both Lehman and G.M. The idea that General Motors or Chrysler could have survived a Chapter 11 filing without government support "was very unlikely," he told me. "Without the debtor-in-possession financing, they would have had to shut down," he said. "The court ruled there was no possibility for DIP financing except from the government. The Republican candidates are ignoring this. I've watched the debates. The misstatements are so shocking." (Mr. Miller said he wasn't identified with either political party.)

Besides the fact that no one would provide the financing to keep the companies running, Mr. Miller said, "every survey ended with the conclusion that few, if any, people would buy a vehicle from a company that was in Chapter 11," unless there were some guarantee. "A car or truck is the second-largest investment an American family makes after the purchase of a home," he said. "Buyers factor in what will happen to the warranty, maintenance and the resale value. They were going to be very reluctant to buy a car from a company whose future was in serious doubt." Even with government backing, rivals used G.M.'s brief 43 days in Chapter 11 -- a far shorter period than Lehman's -- to try to grab market share.

Mr. Miller said that an analogy to the kind of Chapter 11 bankruptcy Mr. Romney has called for, one unassisted by taxpayer money, might come from Braniff Airways, which filed for bankruptcy in 1982. Passengers were already shunning the airline as rumors of bankruptcy circulated. Once it filed, much of its fleet was grounded. It soon ran out of the cash needed to keep operating in bankruptcy. The airline was liquidated.

It's hard to measure what would have been the consequences if G.M. and Chrysler had been forced to liquidate. But we know that policymakers seriously underestimated the unforeseen reactions and dire results of Lehman's bankruptcy filing. Rescuing Lehman wouldn't have addressed the deeper causes of the crisis, like the housing and mortgage bubbles. Still, it might have prevented the near panic that ensued. It's hard to find anyone today who argues that letting Lehman Brothers fail was actually a good thing, although Mr. Santorum and Mr. Gingrich have both said they wouldn't have bailed it out. Mr. Miller says he believes the consequences of a G.M. and Chrysler failure would have been potentially catastrophic.

"It was clear in December of 2008, if G.M. and Chrysler went under, the effects would course through the entire automotive supply business," he said. "Dana and Delphi had already failed. Many others were on the brink. The estimate we saw was that in excess of 500,000 jobs would be lost. Michigan, Indiana, Ohio and Illinois would have been devastated. It was a compelling factual situation. President Bush took a look at this and said, 'I can't let this happen on my watch.'"

Even though Mr. Bush is an avowed free-market champion, he approved emergency loans of \$17.4 billion to G.M. and Chrysler, financed by the same Troubled Asset Relief Program legislation that rescued the banks, which gave the automakers enough cash to operate until the Obama administration could fashion a longer-term plan. The Republican candidates have repudiated Mr. Bush's action in the name of ideological consistency, "but sometimes circumstances get in the way of philosophy," he told a national convention of auto dealers last month. "I would make the same decision again."

However healthy the American auto industry is today, the idea of government bailouts and continued ownership of private companies remain anathema to a large swath of the American public, an audience the Republican candidates are surely aware of. Last month a Gallup poll asked, "Do you approve of the auto bailout?" A majority, 51 percent, said no; 44 percent said yes. Among Republicans, 73 percent said they disapproved of it.

PHOTO: Harvey Miller, right, a bankruptcy expert, with Lehman Brothers' former chief, Richard Fuld, in Washington in 2008. (PHOTOGRAPH BY CHIP SOMODEVILLA/GETTY IMAGES) (B6)

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Automobiles; SECTAU

Correction

49 words

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2

English

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An article last Sunday about the Amelia Island Concours d'Elegance misstated an aspect of the history of a Corvette concept car, the Mako Shark design study of 1961. It remains intact and was not rebodied as a styling exercise for the 1968 Corvette production car.

Document NYTF000020120311e83b0006k

The New York Times

BEHIND THE WHEEL /2012 MAZDA 3
Automobiles; SECTAU
There's Fun After 40 (Miles Per Gallon)

By LAWRENCE ULRICH

1,503 words

11 March 2012

The New York Times

NYTF

Late Edition - Final

1

English

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ASK the hipster waiting in line for a new iPad. Buyers and critics alike are easily seduced -- sometimes too easily -- by the new.

It's no different with cars. Last year, a rare battle of the welterweights broke out. Never before, it seemed, had so many new compact models swaggered into showrooms. The Ford Focus, Honda Civic, Hyundai Elantra, Chevy Cruze and Nissan Versa were all brand-new or completely redesigned. Which one would win the compact crown?

Yet while all eyes were focused on the main event, the Mazda 3 was in training. It now comes to market not as a stem-to-stern redesign, like those competitors, but with a transformative new engine and a pair of exceptional new transmissions.

Although the Mazda arrived relatively late, it turns out to be the life of the party. Long the sportiest, most rewarding car to drive in its class, the 3 is now the only one that effortlessly tops 40 miles per gallon in real-world driving.

Let's repeat that: The Mazda 3 is the best performer in the class, and it has the best mileage. That's a pretty unbeatable combination.

Since the 1970s, of course, Mazda has worked that niche of affordable Japanese performance, enjoying hits like the Miata roadster, but never quite breaking into the big time. Fuel economy took a back seat, as with Mazda's prodigiously thirsty, rotary-engine RX sports cars.

But with regulators circling and a 35 m.p.g. standard brewing, there's no longer any place to hide. Mazda says its new suite of technologies, collectively called Skyactiv, will raise its fleetwide mileage by 30 percent by 2015 with no need for an expensive hybrid system.

The 3 sedan and hatchback bear the first green fruit of this technology, including a 2-liter 4-cylinder engine and equally stellar 6-speed transmissions, both manual and automatic.

While the 3 doesn't look much different, its body and cabin have received a nip and tuck. Mazda has made an attempt to fix the goblin grin of the lower grille, softening the shape of the radiator opening and slapping a larger black bar across it. But like a dental retainer, the hardware can do only so much for the Mazda's unsightly mouth.

The interior may not be as fresh as some newer entries in the class, but it's still awfully good. Genuine sport seats, with bolsters for both the cushion and the backrest, remind you that the 3 helped to usher in the era of premium small cars.

The old 3's dated red instruments are now an easier-to-read white. The information display proved less prone to wash out in sunlight.

Combustion-enhancing direct-fuel injection, piston cavities and an especially high 12:1 compression ratio help the Skyactiv-G engine make 155 horsepower and 148 pound-feet of torque on regular unleaded. That power-packed compression ratio soars as high as 14:1 in European models running on premium fuel. That is higher than any gasoline car engine in regular production today, including those in six-figure supercars.

With roughly 5 percent more horsepower and 10 percent more torque than before, the engine also gets 21 percent better mileage: as much as 28 m.p.g. in town and 40 on the highway for the sedan with the automatic transmission.

The manual transmission is lighter and more compact than the one it replaces, and gets an extra, sixth gear for better mileage. The shifter "throws" -- the distance the handle moves between gears -- are 10 percent shorter, giving it the crispest gear changes in the class.

That a Mazda stick shift is terrific would surprise no one who's snicked a Miata or RX-8 through its gears. But since most buyers choose an automatic, the other new transmission is the bigger story: Combining a conventional fluid torque converter, which operates below 5 m.p.h., with a multiplate clutch that mimics the directness of an automated manual, this smart, seamless transmission proves that innovation isn't the province of luxury cars alone.

I should note how the Mazda amplifies the good and the bad of competitors, including the Ford Focus. Yes, in a class of cars that are able and practical but barely sporty -- including the Civic, Cruze, Elantra, Nissan Sentra and Toyota Corolla -- the Focus is a standout for style and performance.

Not coincidentally, that Focus shares its fine chassis with none other than the Mazda 3. The second-generation Focus, a huge advance over the original model, was sold in Europe for several years before finally migrating here last year.

Yet the Focus is saddled with a supposedly high-tech transmission -- a dual-clutch automated manual -- that feels clunky. In contrast, Mazda's automatic is like a slick political operative: never drawing attention, yet in charge and pulling the right strings.

With new fuel savers including the engine, transmission and electro-hydraulic steering, the Mazda is the rare compact whose 40 m.p.g. economy isn't an empty marketing claim.

Driving to maximize fuel economy in the automatic sedan, I observed a knockout 44 m.p.g. over two hours at an average speed of 55 m.p.h. That's the highest mileage I've achieved in any purely gas-powered, American-market car, including smaller subcompacts.

The 3 kept on sipping during faster New York-to-Boston runs. Averaging a healthy 63 m.p.h. over 3.5 hours, the sedan returned 41 m.p.g. And escaping back to New York at a zippy average of 73 m.p.h., my hatchback managed 36 m.p.g. With a 14.5-gallon tank, the 3 can roll up 540 highway miles with a gallon to spare. A "tall" overdrive sixth gear helps: if you keep the engine under 2,000 r.p.m. on the freeway, you'll get 40 m.p.g. or better.

Volkswagen had "fahrvergnügen"; Mazda's word for driving fun is "toitsukan," a feeling of oneness between car and driver. As ever, Mazda's finely wrought steering and suspension impart a sportiness and sophistication that cannot be faked. The 3 dines on curves that will have the Hyundai, Honda or Chevy choking.

The engine pulls smoothly to its redline of 6,500 r.p.m., and the transmission is delightfully smooth and snappy in automatic or manual mode.

Let's be clear: You need not be a hotfoot to enjoy the 3. To people who haven't driven one, the best way to describe the 3 is that it drives like a junior BMW. Even the gentlest commuter can appreciate a car that feels so controlled, safe and confident.

For 2012, the practical hatchback -- previously available only with a thirstier 2.5-liter 4 -- has the Skyactiv-G engine as standard equipment. The 2.5 engine, which makes 168 horsepower, is still available on up-level models, though when paired with an automatic you get a mere 5 speeds. The downsize is a big drop in mileage, to 22/29 m.p.g.

For as little as \$15,995, budget watchers can have a stripper 3 SV sedan with Mazda's old-tech 148-horsepower 2-liter engine and 5-speed manual or automatic transmissions. But that weaker engine also delivers 7 fewer highway m.p.g. -- just 33.

A better choice is the 3i sedan with the latest engine and the 6-speed automatic, which starts at \$20,095 (\$20,595 for the hatchback). Stuffed Grand Touring models shoot to \$25,000 and beyond.

A PZEV version (for Partial Zero Emissions Vehicle) is available in California and states that conform to its pollution rules. And the Mazdaspeed 3, with its 263-horsepower turbo 4, will tempt the high-strung set for \$24,795.

The Mazda isn't perfect. The 3 still lets in more wind and road noise than some rivals, especially the hushed Chevy. The Ford wins the beauty contest, especially as a hatchback.

But with Honda largely ceding its technical and performance leadership in small cars, Mazda is among the brands stepping in to fill the void.

Like the beloved Hondas of old, the Mazda 3 combines fun with frugality like no direct rival. Mazda's underdog is not a shoo-in for everyone, but give the 3 a chance -- better, a test drive -- and it may top your shopping list.

INSIDE TRACK: Long-distance athlete.

PHOTOS: STANDOUTS: With the Skyactiv-G engine, the Mazda 3 hatchback, above, and sedan are the best performers, and return the best mileage, in the class. (AU1); SPORTY: The Mazda 3's interior has been mildly updated. Sport seats include bolsters for both the bottom cushion and backrest.; THRIFTY: With an automatic gearbox, the Mazda 3i sedan is rated 40 m.p.g. on the highway. (PHOTOGRAPHS BY MAZDA NORTH AMERICA)(AU4)

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The New York Times

Business/Financial Desk; SECTB
Volkswagen Growth to Slow

By REUTERS
556 words
13 March 2012
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3

English

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WOLFSBURG, GERMANY -- Volkswagen's pursuit of record profits may take a breather this year as Europe's largest car maker invests in a technology overhaul.

VW has a goal of matching last year's record 11.3 billion, or \$14.8 billion, in operating profit in 2012 before aiming for another increase in 2013, the company said in its annual report published on Monday. Revenue may beat last year's 159.3 billion in 2012 and 2013.

"We need to recoup our substantial development and start-up costs," the chief executive Martin Winterkorn said at a news conference in Wolfsburg, where VW is based.

Recent efforts to expand parts-sharing across VW's range of small and mid-sized vehicles may yield "substantial savings" over the longer term, he said. VW estimates its parts sharing across brands, including the luxury division Audi and the Czech unit Skoda, may cut production costs by 20 percent and assembly times by 30 percent.

The continued growth of car markets in Asia, the United States, Latin America and Russia may help VW to increase group deliveries this year beyond the record 8.3 million cars achieved in 2011. The company plans to roll out more than 40 new models or updated vehicles in 2012, according to Mr. Winterkorn.

VW said last month that fourth-quarter operating profit slipped nearly 1 percent to 2.29 billion. The company plans to increase its dividend by 80 cents to 3 per share for common shareholders and 3.06 for preferred.

"The unbroken automotive boom is providing an additional tailwind for our growth plans," Mr. Winterkorn said on Monday, adding that the global market for passenger cars and light commercial vehicles could exceed 100 million units by 2018, by when VW aims to be the world's biggest auto manufacturer.

VW's new compact car production system is more flexible than previous platforms and allows the car maker to build models with different height, width and length. The new architecture is designed for use in as many as 3.5 million small and mid-sized cars including Audi's new A3 compact and the next generation of VW's Golf, the carmaker's best-selling vehicle.

VW said last September that 62.4 billion will be spent on factories, vehicles and development as part of its rolling five-year budget. The auto manufacturer has not disclosed costs for launching its new compact-car technology, though it admits an impact on earnings.

"It initially entails considerable upfront costs in order to adapt a range of production plants to the new platform," the chief financial officer Hans Dieter Poetsch said at the news conference.

VW is still facing hurdles to combining with Porsche SE's automotive operations, Mr. Winterkorn said. VW faces having to pay about 1 billion in tax if it were to buy the remaining 50.1 percent of Porsche's car-making business before 2014.

The German manufacturer dropped plans for a full merger with Porsche last September after lawsuits against the sports-car manufacturer in the United States and Germany complicated Porsche's valuation.

"All parties involved are continuing to work at full speed on achieving the integrated automotive group with Porsche at conditions that make good economic sense," Mr. Winterkorn said.

The New York Times

MOTORING

Automobiles; SECTAU

Opening Doors That Won't Budge

By SCOTT STURGIS

810 words

13 May 2012

The New York Times

NYTF

Late Edition - Final

4

English

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AUDIS and Dodges that lock out their owners, and Lexus and Toyota hybrids with coolant leaks, are among the mechanical ailments covered in the latest technical service bulletins.

The bulletins, which are compiled by alldatapro.com, offer automakers' insights into some recurring problems with various models. The bulletins, known as T.S.B.'s, are not recalls; they are information provided by manufacturers to dealers' service departments and mechanics.

Unless otherwise noted, the carmakers do not offer payment assistance for these repairs beyond normal warranty coverage. Alldata.com sells a more comprehensive version of the bulletins to consumers. Here are a few recent examples:

AUDI A balky door lock is a big problem with a relatively simple fix for owners of recent Audis.

In T.S.B. 571264 issued on March 30, Audi said owners of 2010-13 TT, A4, A5, A6 and A7 models might find that a door would not open even after it had been unlocked. The condition typically happens after the owner pulls up on the handle to be sure the door is, in fact, locked.

The problem starts in the factory, Audi reports, when the actuator cable becomes kinked as it is installed. Replacing the cable and latch carrier should cure the lockout condition. CHRYSLER S.U.V. owners experiencing gasoline splashback during refueling could be eligible for some help. In T.S.B. 14-001-12 issued on Jan. 20, Chrysler said some 2007-8 Aspens, as well as 2006-8 Dodge Durangos, might have a faulty inlet check valve. The part is now warranted without limits on time or mileage, so customers can get it repaired free.

DODGE Like the Audi owners just noted, some Challenger and Charger drivers may encounter a barrier to entry. In T.S.B. L28 issued on March 26, Chrysler said the exterior door handles might malfunction on 2011 models with remote locking key fobs.

Chrysler will replace the exterior handles free, as needed, on all 64,500 vehicles with the potential for the problem.

Owners of one modern Detroit muscle machine, the Challenger SRT8, may be dismayed to find their dashboard displaying Chinese characters. T.S.B. 08-005-12, issued on Jan. 25, said that could be an issue on a few 2012 models built in late November and early December. Replacing the instrument cluster should change the display to a standard American display, just as owners expect. FORD Some Fiestas with the dual-clutch automatic transmission may be leaking fluid. In T.S.B. 12-4-6 issued on April 20, Ford said the problem in 2011-12 models originated in the clutch housing. Replacing the dual clutch assembly should seal up the problem.

GENERAL MOTORS A number of large S.U.V.'s may suffer leaks of power steering fluid. In T.S.B. 12-02-32-001 issued on Feb. 15, G.M. said the leak most likely came from the connection between a hose and the steering rack. Replacing the seals should solve the problem, which can affect 2007-12 Cadillac Escalades; Chevrolet Avalanches, Silverados, Suburbans and Tahoes; and GMC Sierras and Yukons.

LAND ROVER The power steering on some 2008-11 LR2s may be noisy or require extra effort. In T.S.B. TECLTB002723 issued on Feb. 14, Land Rover said the problems might be caused by weld splatter in the steering piston tube. Flushing and refilling the reservoir should provide a cure.

LEXUS Some 2011-12 CT 200h hybrid models may need a new exhaust gas control actuator; and 2011-12 Toyota Highlander HV and Prius V hybrid models may have the same problem.

This latest part that you've never heard of helps to regulate fuel economy and heating performance. The failure of the actuator leads to a coolant leak and illuminates the water temperature and check-engine lights.

In T.S.B. SC-CLB issued on April 24, Lexus said it would make the repair free on any of the 18,000 vehicles in the campaign; for Toyota models, T.S.B. SC-COF covers details of the program for the 23,600 vehicles affected by this problem.

TOYOTA A sensation of being bumped from behind may drive some S.U.V. owners to the service center. In T.S.B. 0046-12 issued on Feb. 23, Toyota said the problem in FJ Cruisers with 4-wheel drive and 5-speed automatics was most likely caused by a problem with the rear driveshaft. Also, T.S.B. 0040-12 issued on Feb. 16 addresses a similar problem in 2010-12 4Runners. In either case, replacing the rear driveshaft assembly should smooth things out.

REPAIRS: Clockwise from above: Dodge Challenger SRT8, Audi A7 and Toyota Prius V. (PHOTOGRAPHS BY CHRYSLER GROUP; AUDI OF AMERICA; TOYOTA MOTOR SALES)

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The New York Times

Automobiles; SECTAU

Conserving Utah's Fragile Salt Flats

By FRED HEILER

518 words

13 May 2012

The New York Times

NYTF

Late Edition - Final

2

English

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ANY number of racetracks hold claim to colorful back stories, their heritage of championships battled fiercely to the finish. But it is doubtful that any racecourse has a history to match that of the Bonneville Salt Flats.

Around 15,000 B.C., during the last ice age, there was an inland sea in northwest Utah roughly the size of Lake Michigan. Over the next 11,000 years, the water evaporated as the climate warmed, leaving a thick layer of glistening salt near what is now Wendover, a town on the Nevada border some 120 miles west of Salt Lake City.

Left untouched, the hard surface might maintain its cap, up to seven feet thick in places, for millennia to come. But today the crust on the protected area -- it is listed in the National Register of Historic Places -- is receding, down to just a few inches in some areas. Veteran racers have said that speed trials on the salt flats could be forced to end in less than a decade.

Named for Capt. B. L. E. Bonneville, who explored the area in the 1830s, the salt flats once covered an area of some 96,000 acres. Winter rains raise the water table slightly above the salt; when the water evaporates in the spring, it leaves a smooth surface nearly as hard as concrete.

Bonneville's advantage as a site for speed runs was recognized by W. D. Rishel in 1896, who was scouting a bicycle racecourse. Since then, vehicles have set scores of land-speed records there. In 1935, the salt flats became known internationally when a British racer, Sir Malcolm Campbell, pushed the land-speed record past 300 m.p.h.

While a number of trials are scheduled for the salt each year, the best-known event is Speed Week, usually in mid-August.

How long this event can go on is unknown. Because the entire Bonneville basin is connected by a giant aquifer and artificial salt brine ditches, mining operations across Interstate 80 have shrunk the salt's expanse. The mining removes potash and magnesium, depositing brine on the wrong side of the highway. The salt flats now cover some 30,000 acres; the 13.5-mile straight has been cut to seven.

Although the salt flats were established as an Area of Critical Environmental Concern in 1985, the federal Bureau of Land Management allowed mining to continue, and conditions deteriorated. In the 1990s, the racing community started a coalition, Save the Salt, that persuaded the mining company to pump leftover brine back onto the flats.

During a pilot pumping program in 1997-2002, the salt crust began to get deeper, firmer and wider, with the high-speed straight briefly back up to 13 miles. But the program concluded and voluntary efforts to continue it were spotty.

Now there may be reason for cautious optimism. Intrepid Potash-Wendover recently acquired the mining operation and a restoration has begun. In recent months Intrepid has pumped an estimated half million tons of salt onto the flats.

MAP

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Correction

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2

English

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A review last Sunday about the 2012 Ford Focus Electric erroneously attributed a distinction to the car. While it is the first all-electric production car from a Detroit automaker in the 21st century, it is not the first from an American company. (The Tesla Roadster was the first.)

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The New York Times

Automobiles; SECTAU

Now Standard With a New Lexus: A Greeter and a Genius

By LAWRENCE ULRICH

490 words

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6

English

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WITH simple radios, bench seats and AAA road maps fading into history -- replaced by Bluetooth audio, 20-way massaging chairs and voice-driven navigation systems -- many frustrated owners need a new kind of driver's ed.

For Lexus, whose legendary customer service was a factor in its 11-year streak as America's best-selling luxury auto brand (a run that BMW ended in 2011), the complexity of modern cars has spurred it to create Apple-style training at its 232 dealerships.

Applying its factory philosophy of a "takumi," or master craftsman, dealers are adding two certified positions: a "vehicle delivery specialist" to introduce customers to their cars and its features, and a "vehicle technology specialist" to provide free support, including tips for using the Enform telematics system.

Cadillac is setting up its own dealership specialists as well, to help customers navigate its new Cue telematics system.

Mark Templin, group vice president of the Lexus division, said the brand's California call center fielded 5,000 technical questions in 2007. When that number reached 13,000 last year, executives realized that more hands-on guidance was needed.

Lexus also recognized that salespeople, after closing a deal, might not have the time or training to instruct a buyer in every detail of a technologically advanced car. "They're naturally looking over their shoulder for a new customer," said Vince Salisbury, training manager at Lexus College, the brand's training program in California.

By June, Lexus plans to have certified 2,400 specialists after a training program. New hires include Alex Oger in Dallas, a former trainer for Apple's Genius Bar, and Dr. Thomas Trillin, a retired podiatrist and Lexus enthusiast, in the Kansas City area.

Mr. Salisbury said Lexus wanted to actively familiarize customers with Enform -- and avoid the fate of Ford, whose Sync and MyTouch telematics systems baffled and irritated many customers, denting the company's ratings in owner satisfaction surveys.

At many dealerships, Mr. Salisbury said, owners were bringing in cars for unneeded repairs, wasting technicians' time. From pairing a phone to making a voice-activated reservation on Open Table, "all those things require a little explanation," he added.

Specialists are trained to customize lessons to customers with widely varying technological skills. Owners can download their own tutorial apps.

As for the charge that today's cars are too complicated, Mr. Salisbury said there was no going back. As boomers give way to the more tech-savvy Generations X and Y, buyers are demanding the latest technology. And whether it's 1912 or 2012, the luxury buyer hasn't changed: "When you get a car with all these whiz-bang features, you want to be able to show them off."

HANDOFF: Dr. Thomas Trillin is now a delivery specialist for Superior Lexus in the Kansas City area.

(PHOTOGRAPH BY TOYOTA MOTOR SALES)

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The New York Times

BEHIND THE WHEEL 2013 LEXUS GS 350

Automobiles; SECTAU

Action-Oriented Sedan With a Predatory Spirit

By LAWRENCE ULRICH

1,537 words

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Late Edition - Final

1

English

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GIVEN an unforeseen economic slump, an overblown unintended-acceleration drama and an unimaginable earthquake in Japan, it's clear that the recent wounds suffered by Lexus and its parent, Toyota, weren't all self-inflicted.

But while external factors and random disasters partly explain how Lexus lost its crown in 2011 -- after 11 consecutive years as America's best-selling luxury nameplate -- the brand's managers can't merely shake their fists at the heavens.

Well before the tsunami, what ailed Lexus (and Toyota) was the calm before the storm: a by-the-book conservatism shaded into complacency, seemingly born of the belief that bulletproof reliability would always carry the day and set these brands apart.

That quasi-religious belief, of course, helped Toyota to conquer the world. But as the company now recognizes, such a belief blinded it to customers' desire for cars that speak to the heart as well as the brain. That's especially true for models bought as a splurge. Zestier models from BMW and Mercedes have been dusting Lexus's sales even as Audi, once an underdog, has become the toast of industry tastemakers.

Akio Toyoda himself, the race-driving chairman who is a grandson of Toyota's founder, has vowed to restore passion to his brands, which Internet provocateurs have dismissed as "beige."

Mr. Toyoda formed a new Global Lexus Division, separate from Toyota, with handpicked leaders who report directly to him. And last August in Pebble Beach, Calif., Mr. Toyoda introduced the redesigned GS 350 sport sedan. He heralded the car's signature "spindle grille" -- previewed on the outrageous LF-Gh concept car seen at the New York auto show last year -- as "the new face of Lexus."

Grimacing and glowering, it's a face that induced déjà vu: where had I seen that mug, and those mandibles, before?

Then it hit me: it was in the Central American jungle, in '87. Mr. Toyoda may not realize it, but the new face of Lexus is a dead ringer for the Predator of sci-fi movie fame.

Mr. Toyoda has revealed that he initially opposed the styling, but he now thanks his team for fighting him until he gave the project a green light. And there's certainly no denying the passion of a creature, however repulsive it may appear, that skins its victims and keeps their skulls as trophies.

Yet the 2013 GS 350 isn't ugly, just mildly odd and alien, and you cannot order one in Slime Green. But because I enjoyed driving the car so much, I declared a truce with the styling. Still, I need to take issue with the huge gaps between the wheel wells and the tires that make the sport sedan appear less hunkered-down than it should.

More important, the fourth-generation GS is the most entertaining midrange Lexus sedan in memory.

Most unexpectedly, it defies the current midrange trend in which carmakers are prioritizing luxury over performance. Even the BMW 5 Series, the benchmark for action-oriented sedans, has gone softer; the latest model is built on the chassis of the larger 7 Series.

How's this for a Hollywood shocker: this Lexus not only has a more overtly aggressive demeanor than the 5 Series, the Audi A6 or the Mercedes E-Class, but its steering also feels more lively and connected.

Power is no issue. With 306 horses from a 3.5-liter direct-injection V-6, the rear-drive Lexus manages a 5.7-second sprint from 0 to 60 miles per hour, the company says, in line with the car's main rivals. The all-wheel-drive model is just a bit slower, at 6 seconds.

Unlike BMW, Benz and Infiniti, Lexus won't offer a V-8 engine. Instead, the new GS 450h hybrid model will pair a 3.5-liter V-6 with an electric motor and battery for a total of 338 horsepower.

A 6-speed transmission does give up one or two gears to its German competitors, though the GS still manages 19 miles per gallon in city driving and 28 on the highway. The all-wheel-drive version is rated 2 m.p.g. less on the freeway; the hybrid leads the lineup with a 29/34 m.p.g. rating.

While most of my passengers were ambivalent or tactful about the exterior styling, the contemporary cabin drew universal applause. The interior feels spacious, yet intimate, with expensive-looking surfaces and a tasteful mix of modern and traditional elements.

Like its competitors, the Lexus seeks to justify its \$50,000-ish price with what I'll call the disconnect of connectivity: the GS wants occupants to feel cocooned in safety and protected from distracted drivers. It has ubiquitous, watchful monitors for blind spots, for drifting out of the lane and for impending collisions. Yet Lexus also insists that technology will free its own drivers to be entertained and informed with no threat to others.

For Lexus, as with BMW's original, groundbreaking iDrive, the solution looks good on paper -- except that you don't read the paper while you're driving. And in automotive terms, the GS's combination of a touchy joystick and a large 12.3-inch screen is like trying to paint an illuminated text while bouncing down a cobblestone street.

To prove it, I drove down my cobblestone Brooklyn street. Here and elsewhere, Lexus's leather-padded console joystick and wrist rest felt beautifully designed for a driver's hand. To help keep eyes on the road, Lexus developed a "snap to" function, a bit of haptic feedback through the joystick that draws the cursor to screen icons and freezes it there. And yes, it works fine when you're at the curb.

But when you're trying to make sense of New Jersey road signs, there are just too many icons, windows and choices, spread across that Pacific-sized screen like an archipelago. Your tiny boat, the onscreen cursor, has an annoying tendency to slip its moorings if you don't row it with precision. Having a left-handed passenger aboard works great, but the system requires too much of a driver's limited attention. Lexus, we await version 3.0.

The car's new smartphone-based Enform system does allow voice control of apps including Pandora Radio and Open Table's reservations system, or to check in on Facebook. But the dirty secret of voice commands, whether for phones or cars, is how rarely anyone actually uses them.

Using the Lexus Link system, I connected with a live operator who promptly sent navigation instructions into the car, letting me focus on the road.

That focus -- we all remember driving, right? -- is where the Lexus scored its best points, including some surprising aces. The GS isn't the fastest car in its class, and it can't claim a fancy dual-clutch transmission. But the car does something more important, something that's the antithesis of the usual Lexus. It loves to go fast, rather than isolate and hypnotize its occupants. The car remains whisper-quiet and comfortable, but it really encourages its driver to come out and play.

So play I did. Over an exhilarating four hours in rural Connecticut, I ended up getting just 17 m.p.g. -- a testament to how lustily I hammered the gas pedal. I did better on highways, but still averaged only about 23 m.p.g. And with a smallish 17-gallon tank, that consumption resulted in a stingy driving range of barely 350 miles.

I tested the most performance-oriented GS, with the F Sport package that adds \$5,695 to the \$50,325 base price of the all-wheel-drive model. (The rear-drive GS starts at \$47,775.) F Sport features include smoky graphite 19-inch alloy wheels, a driver-selectable suspension (including slick onscreen graphics that highlight components within an X-ray transparency of the car), a 16-way sport driver's seat, aluminum cabin trim, racier body panels and more.

If buyers do make peace with the new corporate look, the GS could end up being the Lexus analog to the BMW 7 Series that made the designer Chris Bangle a household name. That love-it-or-hate-it sedan outraged traditionalists in 2002. Yet looking back, that car presaged a bold new era at BMW and began a winning streak that carried the brand to the American luxury-sales title for the first time in 2011.

Regarding their entire lineups, if Toyota and Lexus ever succeed in melding the emotional and practical sides of their brain, they may unleash a monster, like the fearsome Toyota of old, that could conquer America all over again.

INSIDE TRACK: Signs of new life -- and life forms -- at Lexus.

FACE FORWARD: A "spindle grille" presents a new look for Lexus. Interior, left, mixes modern and traditional elements. (AU1); SIX IS ENOUGH: Unlike most of its rivals, the GS is not being offered with a V-8, only with V-6 and hybrid powertrains. (PHOTOGRAPHS BY TOYOTA MOTOR SALES) (AU6)

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The New York Times

Automobiles; SECTAU

A Man With an Irresistible Urge to Run Wide Open

By FRED HEILER

1,750 words

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Late Edition - Final

1

English

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CRAIG BREEDLOVE was practically a household name in the 1960s, a result of his bringing the unlimited land-speed record back to the United States. In becoming the first to officially push the mark past 400 miles an hour, he dethroned a decades-long dynasty of capable British teams.

In 1963, Breedlove stepped into a death-defying struggle among homegrown hot rodders to grab ever-faster speed records. In the process, he became the first to set the record over 500 m.p.h., and only a year later to break the 600-m.p.h. barrier as well.

Today, the persistent British again own the record -- now at 763 m.p.h. -- and Breedlove, at age 75, is organizing a team for an attempt to recapture it, with a goal of 800 m.p.h. Speaking last fall at the Simeone Automotive Museum in Philadelphia, where he accepted the annual Spirit of Competition award, he told of growing up in Southern California at a time when fast cars were becoming part of the fabric of American life.

At 13, Breedlove persuaded his parents to help him buy a 1934 Ford coupe for \$75, promising not to drive it until he got a license. To fix up this derelict, he worked in a local body shop for 50 cents an hour. His high school shop teacher donated a supercharger for its V-8.

Breedlove took his coupe to a sanctioned meet on the El Mirage dry lake bed in the Mojave Desert northwest of Los Angeles, where he set a course record of 148 m.p.h. While he would go on to race cars that were far less conventional, he did not turn his back on production cars, setting records in the 1960s with a Cobra Daytona coupe and American Motors AMXs.

Having started a family at a young age, Breedlove had limited time and money to go racing. But he discovered that belly tanks -- the streamlined under-wing gasoline tanks from World War II fighter planes -- made cheap, light bodies for his type of competition.

Breedlove bought a surplus tank and built a car powered by a supercharged Oldsmobile V-8. In the summer of 1958, at age 21, he towed it to the Bonneville Salt Flats in Utah, where he hit 236 m.p.h. before a clutch failed.

An ideal location for top-speed runs, Bonneville is a mystical place, a miles-long natural racecourse covered with a layer of white salt deposited when an ancient sea dried up.

"Bonneville is the last vestige of the wild American West, where all the horses are under the hood," said Louise Ann Noeth, author of "Bonneville Salt Flats" (Motorbooks, 1999). "Land-speed racing represents the best of American ingenuity and honesty in sport."

While influenced by motor sports giants like Mickey Thompson, a tough, successful drag racer whose racecars were always competitive, Breedlove and his fellow competitors were also swept up in the postwar patriotism fed by Sputnik, the race to the moon and the charisma of John F. Kennedy.

Conceding that he was spurred on by the "ask what you can do for your country" line from President Kennedy's 1961 inaugural speech, Breedlove said: "I knew I couldn't go to the moon or cure cancer, but I did know how to go real fast, and the most patriotic thing I could think of was to take the unlimited land-speed record away from the British."

Denis Manning, a fellow land-speed racer and builder of several record-holding motorcycles, added some perspective.

"Most people can't understand why we do this," he said. "The land-speed record quest is a unique, exclusive thing. Some assume it's for ego, and maybe it is the first time, but the tug is a far more deep-seated thing."

Breedlove soaked up everything he could about the science of aerodynamics, and he also began to think that wheel-driven racers might have their limits. He envisioned a jet engine, which could be easily packaged inside a low-drag, airplanelike body. And military-surplus jet engines could be had cheaply.

So began a two-year project -- finding space (twice) where he could build the car, convincing engineer friends that they should help and making sponsor proposals. Breedlove ran out of money at least twice, and partly because of his single-minded focus, his wife and children left him.

The setbacks only increased his determination. When F.I.A., the international sanctioning body that certifies most Bonneville speed records, told him that 60 percent of his car's power must go through the wheels, Breedlove went to the F.I.M., a sanctioning group for motorcycle racing.

"When I told them about my jet-powered car, they were happy to sanction it, he said. "My three-wheeled airplane-type design fit into one of their existing motorcycle sidecar categories."

"Speed-record rules are really very simple," he added. "It's the average of two runs by a human pilot in opposite directions within one hour."

The Spirit of America finally arrived at Bonneville in 1962, but the car was beset by teething problems. Breedlove went back to work, modifying the car and cajoling his major sponsor, Shell Oil, into supporting him for another year.

When the team arrived at Bonneville in 1963, the car featured a new rear fin that made it look even more like a wingless fighter plane. Breedlove and his engineers, having sorted out the car's other issues, were confident they could break the record. On the morning of Aug. 5, Breedlove made a run of 388 m.p.h. With a return run of 428, the official average was 407, a world record.

Breedlove was a new American folk hero. The Beach Boys wrote a song about him, "Spirit of America," for their "Little Deuce Coupe" album. Jet-powered cars emerged from the workshops of talented land-speed racers all over the country.

The 1964 Bonneville season shaped up as an unprecedented shootout among Breedlove and two homespun drag racers, Walt Arfons and his younger brother, Art. Each fielded a rather basic yet formidable jet car. On Oct. 2, Walt Arfons's Wingfoot, driven by Tom Green, broke Breedlove's record. Three days later, Art broke Walt's record, driving his Green Monster to 434 m.p.h.

When Breedlove arrived, he quickly worked up to a one-way run of 513 m.p.h. On the return run his braking parachutes ripped away, and he couldn't stop in time with the wheel brakes. The Spirit of America ran off the course, jumped an embankment and finally came to a stop in a brine lake. Breedlove was lucky to escape without drowning.

Although his car was wrecked, the return run of nearly 540 gave a record-setting average of 526.

Breedlove had beaten Art Arfons by a sizable margin, but the season wasn't over. Powered by an F-104 engine with about 18,000 pounds of thrust, Art Arfons's Green Monster had nearly double the power of the other jet cars. Despite problems with tires blowing out, the Green Monster managed a two-way average of 536 m.p.h., breaking Breedlove's record to cap the 1964 season.

With the Spirit of America wrecked, Breedlove began work on a new four-wheel racecar. For months, Breedlove and his friends worked nearly around the clock to finish the Spirit of America Sonic I. Among its many refinements, the new car was fitted with parachutes similar to those on the Gemini spacecraft.

Although Sonic I was fast and steered well, it had a tendency to become airborne over 500 m.p.h. On one test run, Breedlove saw the horizon line fall below the windshield -- the front wheels were in the air, so he had no steering -- but he released the braking chutes in time to prevent a crash. After a number of modifications, he set a new two-way record of 555 m.p.h.

Breedlove knew that either of the Arfons brothers could beat this record, so he continued to test and work his way toward a seemingly impossible 600 m.p.h. On Nov. 15, 1965, he made a run at 593. Feeling the car was approaching its limit, Breedlove decided to go just fast enough on the return to break 600. A run of 608 gave him an average of 600.601, a record that would hold for five years.

To compete in the annual battle and retain the record, an entirely new car that would stay on the ground at ever-higher speeds was needed. However, sponsors were becoming reluctant to get involved with such an increasingly dangerous sport. Goodyear, the main sponsor of Sonic I, felt Breedlove's 600-m.p.h. record already gave them everything needed to promote tire durability and safety.

It did not help that the pressures of pleasing sponsors put Breedlove in tough situations. Feeling he had to make hard-to-keep promises to employees, the press and sponsors, Breedlove often fell short, tarnishing his golden boy image.

Breedlove was not able to field a land-speed car for another 30 years. By then, well-organized British teams that combined government, military and civilian expertise had pushed the record to 763 m.p.h, with a British pilot, Andy Green, breaking the sound barrier in the process.

The price of chasing the land-speed record was now a multimillion-dollar challenge, and Breedlove was in his 60s. In 2006, he retired from land-speed record racing, selling Sonic Arrow to the millionaire Steve Fossett, who was killed in a plane crash before he had a chance to compete with it.

Breedlove ought to be satisfied with being the first person to set the 400-, 500- and 600-m.p.h. land-speed records. Perhaps he is, but he cannot stop thinking about going for it, just one more time.

DRIVEN: Left, Craig Breedlove at the Simeone Automotive Museum last October. Above, the Spirit of America Sonic 1 set a record at 600 m.p.h. in 1965. (PHOTOGRAPHS BY ANDREW TAYLOR; ASSOCIATED PRESS) (AU1); TEAMWORK: Above, Craig Breedlove and his wife, Lee, with an AMX record car. Top, the Spirit of America set a record at 526 m.p.h. (PHOTOGRAPH BY GOODYEAR TIRE AND RUBBER) (AU2)

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The New York Times

COLLECTING

Automobiles; SECTAU

For GMC, 100 Years of Hard Labor

By TUDOR VAN HAMPTON

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Late Edition - Final

2

English

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TO many people shopping for new vehicles, there is little to differentiate the trucks sold by Chevrolet and GMC beyond the logos on the grilles. But to collectors, GMC holds claim to a hard-working personality distinctly its own.

"Up until the late 1950s and into the '60s those were mostly work trucks," said Donald E. Meyer, 80, a GMC historian in Lake Orion, Mich. "They were used rough and put away wet."

In its formative years, GMC catered almost exclusively to farmers, contractors and freight haulers, building a line of trucks that emphasized utility and dependability over comfort or style.

"GMC sold small trucks as an accommodation to their big-truck buyers," said Rob English, 58, a collector in Sheldonville, Mass., who has an enthusiast Web site, www.oldgmctrucks.com. "Chevy was a car company that moved up to the light-truck business. GMC backed into it."

Chevy trucks, which outsold GMC models by more than two to one in 2011, are easier to find on the road and in collectors' garages. That makes GMCs, in some cases, all the more valuable. "I think the GMC brand is little more refined," Mike Flynn Jr., owner of Hollywood Wheels Auctions and Shows in St. Petersburg, Fla., said. "It's also a little more rare."

The GMC nameplate first appeared in January 1912 at the New York auto show, then held at Madison Square Garden in Manhattan, after General Motors had combined several of its truck brands. A popular myth held that Max and Morris Grabowsky, brothers who in 1902 formed one of those brands, the Rapid Motor Vehicle Company, supplied the "G" in GMC. The truth is less colorful, according to Mr. Meyer: the letters simply stand for General Motors Corporation, the new company's parent.

GMC's early days focused on big trucks for commercial customers; the year of its first light-duty pickups is not easily pinned down. Though the company offered an Express Body truck in the mid-1920s that resembled a pickup, it had a wooden cargo box. It was not until 1936 that GMC produced what experts consider a modern pickup, an all-steel half-ton model called the T-14, which cost \$566.

Early marketing campaigns promoted the durability of the trucks. In 1927, Erwin Baker, better known as Cannonball for his many high-speed motoring stunts, drove a two-ton GMC tanker filled with water from the Atlantic Ocean to the Pacific. In the course of his nearly 3,700-mile trip from New York City to San Francisco, Baker averaged 27 miles an hour over five days and 17 hours, never slowing for a breakdown.

Early GMC trucks "will drive down a two-lane back road at 35 miles per hour, and they will do it for decades," said Mr. English, who in 2007 made his own cannonball tribute drive in a Brewster Green 1951 pickup that he restored.

"I have done a reasonable amount of long-distance travel in this truck," Mr. English said, adding that he had the truck trailered back to New England after the trip. "I had it out of my system by the time I got there."

GMC continued to build trucks in a variety of body styles until 1942, when production was interrupted by World War II. During the war, GMC built more than 528,000 CCKW trucks, a two-and-a-half-ton model that was commonly called a deuce-and-a-half. Soldiers would refer to this 6-wheel-drive workhorse as a Jimmy. That name was borrowed for GMC's first midsize S.U.V., introduced in 1970 as a counterpart to the Chevrolet Blazer.

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GMC's wartime production also included more than 21,000 amphibious variants of the CCKW, called the DUKW -- the so-called ducks that delivered the troops storming the beaches in the Normandy invasion. Many remain in use as tourist attractions.

By the 1950s, the transformation of the pickup from work truck to lifestyle vehicle was beginning, and the lines between Chevy and GMC began to blur. In 1955, GMC offered a new breed it called Blue Chip trucks, replacing the previous generation that began in 1947.

The restyled line included the GMC Suburban Pickup. The thickly chromed truck looked similar to Chevrolet's Cameo Carrier, though it was powered by a Pontiac V-8 instead of the Chevy small-block V-8. For many collectors, this model is the ultimate GMC.

"They only made 1,000 GMC Suburban Pickups," said Ralph Wescott, 75, a brand devotee in Largo, Fla., who sold a set of 10 vintage GMCs at a Hollywood Auctions sale in West Palm Beach last year.

The centerpiece of Mr. Wescott's collection was the 1957 GMC Palomino, a one-off Suburban Pickup built for auto shows. Designers dressed it up with a gold-and-cream paint scheme and a sumptuous leather interior. Rolling on its original tires, with just 9,900 miles on the odometer, it brought \$194,400.

By 1967, GMC and Chevrolet light trucks began rolling off the same assembly lines. There were subtle differences, though, including a special V-6 that GMC introduced in 1960.

"It was only used for a few years, and it was only for the GMC trucks," said Michael Goodfellow, a GMC collector in Honeyville, Utah, who runs the Web site 6066gmcguy.org, a forum for enthusiasts of the 1960-66 era.

"The V-6 was the last generation of GMC trucks that were differentiated," added Arthur Throckmorton, 52, an enthusiast in Las Vegas who owns a 1960 half-ton pickup that he restored.

Some blame the engine's tough-as-nails reliability for its downfall.

"They were just too good," Mr. Meyer, the GMC historian, said. "They were more expensive to make than the Chevy V-8s and the fuel economy was not as good, but boy, they lasted forever. I know of V-6s that went over 400,000 miles without an overhaul."

More modern GMCs should not be overlooked, collectors say. High-performance variations like the Syclone small pickup and the Jimmy-based Typhoon have devoted followings, and the appeal of good-condition GMC pickups from the 1970s and '80s is increasing -- as is the demand for parts.

"New old-stock grilles can go for \$800 for just a grille in a box," said Jeff Drew, 38, of Coon Rapids, Minn., who runs the Chevy-GMC enthusiast site 73-87.com. "Supply and demand is kicking in, and everything is going up."

Compared with the past, GMC today may seem as though it is in cozy retirement, offering pampering options like the Denali package, introduced on the Yukon full-size S.U.V. in 1999.

In the last decade, GMC designers have sought to break away from the brand's image as an upscale Chevy and reposition it as "professional grade." The company does this mainly through sheet metal changes and upscale trim.

GMC's design studies also have forecast pickup trends. Elements of the 1999 Sierra Professional concept's mobile-office interior inspired later designs. The 2000 Terradyne concept, whose knife-edge styling cued up the latest generation of G.M.'s half-ton pickups, was the first to carry a Duramax diesel engine and Quadrateer four-wheel steering. Those features went into production, though the latter was short-lived.

But the brand is thriving, having jumped in sales 31 percent in 2010 and another 16 percent in 2011. GMC is its parent's second-top-selling nameplate, and nearly half of GMC's recent sales have gone to what the company calls conquest consumers, or buyers who would not normally consider G.M.

Still, many die-hard enthusiasts look longingly on the truck brand's earlier times, Mr. Throckmorton said.

"It was a different time, a different era, a different animal," he said.

PHOTOS: WORKING CLASS HEROES: Clockwise from top left, a CCKW, the omnipresent deuce-and-a-half of World War II; 1936 T-14; 1977 Sierra Grande; 1957 Palomino, a design study; a vehicle built for G.M.'s Parade of Progress exhibitions; a Rapid truck, from a GMC predecessor, celebrated for its Pikes Peak climb.

(PHOTOGRAPHS BY GENERAL MOTORS; GENERAL MOTORS MEDIA ARCHIVE; CHRIS WILDE;
COURTESY OF HOLLYWOOD AUCTIONS)

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The New York Times

COLLECTING

Automobiles; SECTAU

Record Prices at Amelia Auctions

By DAVE KINNEY

780 words

18 March 2012

The New York Times

NYTF

Late Edition - Final

4

English

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AMELIA ISLAND, Fla.

COMING some two months after the collector-car extravaganzas in and around Scottsdale, Ariz., each January, the concours d'elegance here has become the premier East Coast event for connoisseurs of high-end automobiles.

Two leading auction houses, RM Auctions and Gooding & Company, are now fixtures at the concours in northeast Florida, which took place this year on March 11. The two auction houses reported combined sales of more than \$59 million, an Amelia record, spurred partly by the remarkable prices for a collection of Porsches of fairly recent vintage.

Gooding led off the concours weekend with a well-attended March 9 sale. While Gooding's total auto sales reached \$36 million, it was not the best venue for those in search of a bargain -- or of a place to sit. Ten cars sold for more than \$1 million.

A 1973 Porsche 917/30 Can-Am Spyder racecar brought \$4.4 million including buyer's commission. Gooding said that was the most ever paid for a Porsche at auction. Rumors circulated through the crowd that the car went to Jerry Seinfeld, a noted Porscheophile, but Gooding officials emphasized that the firm never discloses its clients' identities.

The 917/30, which the legendary driver Mark Donohue once called "the perfect racecar," was part of the Drendel family's collection of 17 rare or low-mileage Porsches; the cars were sold individually for a total of \$17.7 million.

The day's second-highest sale was also a Porsche, but not from the Drendel collection. A 1955 550/1500 sold for \$3,245,000, handily topping its presale estimate of \$2.2 million to \$2.6 million. "The best-of-the-best examples are bringing more, and sometimes multiples of what might be expected," said David Gooding, president of the auction house. "This is not the case of one or two bidders dominating the market. Many of our recent bidders are either new to us or new to the game."

While its cosmetic condition was not the "best of the best," a 1956 Mercedes-Benz 300SL Gullwing brought \$715,000, a touch over its \$700,000 low estimate. At the lower end of the price scale, a 1970 Volkswagen Karmann-Ghia convertible sold for \$25,300, or \$300 above its low estimate.

On Saturday, RM Auctions returned to the grounds of the Ritz-Carlton for a one-day sale, its 14th at Amelia Island. The top seller was a 1929 Cord L-29 known as the Hayes Coupe, after the Grand Rapids, Mich., company that made its custom body. With strong interest from bidders in the room and over the phone, the car sold for \$2.42 million. The Hayes Coupe, which had sold for nearly \$1.1 million at a 2008 Gooding auction at Pebble Beach, Calif., carried a presale estimate of \$1.2 million to \$1.5 million.

Phil Neff, the operations director for the Elegance at Hershey, a concours in Pennsylvania, was enthusiastic about the Hayes Coupe. "It's one of the few American cars that was shown in, and won, European concours" when it was new, he said. "It beat the likes of Delage, Bugatti and Delahaye on their home turf."

RM also claimed auction-record prices for three models: \$1.21 million for a 1965 Aston Martin DB5 Vantage convertible, \$363,000 for a 1973 Ferrari Dino 246GTS and \$990,000 for a 1960 Mercedes-Benz 300SL roadster. Six cars at RM sold for more than \$1 million.

The Mercedes, a black car with green leather interior, was recently restored by a specialist in the marque, Rudi & Company of Victoria, British Columbia. Equipped with a factory hardtop and Rudge knock-off-style wheels, the car was presented as complete, down to its tool kit.

A second 300SL, this one a silver 1957 model, went unsold for a high bid of \$625,000.

A complete set of 30 glass radiator ornaments by Rene Lalique, dating to the early 20th century, sold for \$805,000, barely above the low end of the presale estimate of \$800,000-\$1.2 million.

Other sales at RM included a 1959 Chrysler Imperial Crown hardtop sedan with Copper Spice metallic paint. Selling for \$33,000 including buyers' fees, the wildly flamboyant Imperial, designed by Virgil Exner, was among the few cars at the sale that changed hands for less than \$40,000.

PHOTOS: FOR RICHER . . . : At \$4.4 million, a Porsche 917/30 Can-Am Spyder set a record for the marque.; . . . AND POORER: 1970 Karmann-Ghia brought \$25,300. (PHOTOGRAPHS BY PAWEL LITWINSKI/GOODING & COMPANY)

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The New York Times

THE BLOG

Automobiles; SECTAU

Coming Soon, a Rear-Drive Chevy SS Sedan

By JONATHAN SCHULTZ

189 words

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Late Edition - Final

6

English

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CHEVROLET announced on Thursday that it would produce a performance sedan called the SS, based on the global rear-wheel-drive platform used by the Camaro sports car and the coming VF Commodore, a sedan produced for Australia by Holden, General Motors' Australian division.

It will be the first rear-wheel-drive sedan from Chevrolet in 17 years, since the Caprice of the mid-1990s.

Expected in showrooms by late 2013 as a 2014 model, the V-8-powered SS will also be the donor vehicle for Chevrolet's 2013 Nascar Sprint Cup race program. Earlier this year, Ford unveiled its 2013 racecar, based on the coming Fusion sedan, and Dodge showed its Charger-based Sprint Cup contender.

The SS distinction has been shorthand for heightened horsepower and sharpened handling, or Super Sport in Chevy parlance, since 1961.

The SS Sprint Cup racecar is scheduled to make its competition debut at the 2013 Daytona 500. JONATHAN SCHULTZ

OFF TO THE RACES: Wearing camouflage, the Chevrolet SS Nascar Sprint Cup racecar. (PHOTOGRAPH BY GENERAL MOTORS)

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The New York Times

Automobiles; SECTAU

Cramming for Degrees in Hybrids

By KEN BELSON

1,215 words

20 May 2012

The New York Times

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Late Edition - Final

2

English

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LIKE many college students, Katherine Bovee, a master's degree candidate at Ohio State University in Columbus, struggled to find a focus for her undergraduate studies. Wanting to sample a broad range of possibilities, she enrolled in a mechanical engineering program.

As of her junior year she still hadn't found the direction she was looking for, but things began to click when she signed up for courses in thermodynamics and internal combustion engines. Through her professor, Dr. Yann Guezennec of Ohio State's Center for Automotive Research, Ms. Bovee connected with the team working on the university's entry in EcoCAR, a green-technology competition conducted by the Energy Department and General Motors.

Solving real-world problems and working directly with an automaker proved so valuable that Ms. Bovee, 24, went on to join the EcoCAR 2 program, a three-year competition that aims to reduce the fuel consumption and tailpipe emissions of Chevrolet Malibus. Judging of the first year's work-- the design and simulation phase -- done by the 15 participating teams began Friday in Los Angeles and runs through Wednesday.

In this project -- Ohio State's entry will use a sophisticated plug-in hybrid architecture -- Ms. Bovee is concentrating on the systems that distribute energy from the vehicle's battery.

"Everything I'm doing now is based on what's in the automotive industry," said Ms. Bovee, who received a research fellowship from the National Science Foundation, which she is using to study the control systems in hybrids.

"They're always amazed at the work we're doing, how we can build a car in three years," she said of the auto company engineers she had been working with.

Ms. Bovee's shift in the emphasis of her studies, from mechanical to other engineering disciplines, mirrors changes under way not just in the auto industry but in the classes of engineers graduating from universities. As automakers increase their efforts to design vehicles that are more fuel-efficient and friendlier to the environment, engineering programs are likewise adapting their curriculums, preparing students to build vehicles increasingly powered by batteries and managed by computers.

Brian L. Yoder, a director at the American Society for Engineering Education, said that "mechanical engineering has come to be viewed as the general engineering degree," while electrical engineering degrees were considered more specialized and less susceptible to "offshoring." In other words, electrical engineering jobs are not as likely to be outsourced to engineers overseas.

To design hybrids, plug-in hybrids and pure-electric vehicles, students need a deep understanding of the battery technologies, computer controls and diagnostic programs that form the interconnected systems of modern vehicles. This imposes a collaborative approach on the development process, requiring engineers to work in groups and consider the entire vehicle, not just its individual components.

The growing complexity of these vehicles is one reason automakers, especially domestic brands that reorganized during the recession, are eager to work closely with universities to augment their downsized research and development departments. Instead of just donating money or parts to universities, automakers are expanding internships and other partnerships to help find students capable of creating autos that use alternative powertrains.

"G.M. needs to be much more externally focused because technology is going to move so rapidly that we need to gather new innovations from anybody and everybody," said Thomas Stephens, who recently retired as chief technology officer of G.M., where he helped coordinate the company's alliances with universities. "To compete, you're going to have to have this innovation and you're not going to be able to do it all yourself."

G.M. is a lead sponsor of the EcoCAR 2 program, which is also supported by an array of industry suppliers. But automakers like Honda and Ford, as well as industry stalwarts like Allison, Cummins and Delphi, are also working with universities, providing parts to students involved in experimental programs and offering internships for engineers who may later become employees.

"We consider our competitions to be the minor leagues for the auto industry," said Kristen De La Rosa of the Argonne National Laboratory, who directs the EcoCAR program as part of the Energy Department's Advanced Vehicle Technology Competitions. "It's absolutely about workplace development and developing the next generation of automotive engineers."

The intersection of academia, automakers and the government is paying dividends, most notably for students. G.M. and other car companies hire about 80 percent of their interns because they are familiar with their development process and have shown they can work in groups, a critical skill in developing today's highly complex vehicles.

Their course work, too, most likely included a multidisciplinary focus on next-generation vehicles. At Ohio State, courses are intended to push electrical engineers to know more about thermodynamics and mechanical engineers to know more about electrical engineering. Every automotive engineering course at the University of Michigan has been modified to include the electrification of the vehicle, even classes on crash tests. The university has also added new courses on energy systems.

"I want to have every electrical engineer comfortable in the machine shop and every mechanical engineer comfortable in the electrical lab," said Giorgio Rizzoni, director of the Center for Automotive Research at Ohio State. "You need people who know so many things. Our observation is, the auto industry likes to hire people with an advanced degree who have been exposed to a broad level of disciplines."

Despite the complexity of blending mechanical, electrical and chemical engineering with computers and other technologies, students are rising to the academic challenge. Schools are finding that prospective engineers arrive with an interest in hybrids and other advanced cars, viewing them less as outliers and more as the way all vehicles will look in the future.

"A lot of the undergraduates now were in elementary school when the Prius came out, so they've always lived with them," said Gregory Shaver, an associate professor of mechanical engineering at Purdue University in Indiana. "They've grown up with alternative fuels."

Purdue offers engineering candidates an opportunity to work on a larger scale. The university received a \$1 million Graduate Automotive Technology Education federal grant, which it is using to develop more efficient medium- and heavy-duty trucks.

While established automakers and parts suppliers remain favored destinations, a growing number of students are forgoing a bigger paycheck and more job security and going to work for start-ups and smaller companies, or in developing countries, where they can have greater influence, according to Margaret Wooldridge, director of the Automotive Engineering Program at the University of Michigan.

"There are personalities that don't want to go to a big, old stable company," Ms. Wooldridge said. "What's different now is the change-the-world attitude. They're very, very genuine and unusually willing to sacrifice."

TEAM SPIRIT: From left, Ohio State's EcoCAR 2 team members Travis Trippel, Katherine Bovee and Amanda Hyde with the Saturn Vue that finished second in an earlier competition. (PHOTOGRAPH BY TYLER JOSWICK); INSIGHT: Margaret Wooldridge, a University of Michigan professor, and a graduate student, Mohammad Fatouraie, in the laboratory with a development engine on loan from Ford Motor. (PHOTOGRAPH BY MARCIN SZCZEPANSKI/UNIVERSITY OF MICHIGAN)

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The New York Times

COLLECTING

Automobiles; SECTAU

It Followed Me Home. Can I Keep It?

By NICK CZAP

1,541 words

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Late Edition - Final

2

English

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San FranciscoIN April 2010, while reporting on the California Mille, a vintage-car rally, I spent a memorable day riding in three Alfa Romeos: a 1928 6C 1500 Sport Zagato, a 1959 Giulietta Sprint Veloce and an innocent-looking 1967 Giulia Super sedan.

The 6C 1500, driven by the event's founder, Martin Swig, was stunning, an absolute museum piece. But I was smitten by the Giulietta and Giulia, whose suspensions were exquisitely supple on rough pavement, yet unflappable in the curves, and whose engines, spinning repeatedly to the redline, sang in voices at once angelic and satanic.

The effect was intoxicating, the hook firmly set. That evening, I vowed that if the stars ever aligned, the next car in my garage would be an Alfa Romeo. There was just one stipulation: my budget was a strict \$15,000.

I turned first to the Giulietta Sprint, a sleek Bertone-bodied coupe introduced at the 1954 Turin auto show. In two years of searching, I found several Sprints under \$15,000, all needing enough restoration to obliterate my cash hoard three times over. I was dismayed but not surprised because the Sprint is one of the most coveted Alfas.

Just as my enthusiasm started to wane, a twinkle of hope arrived. In January, a friend lent me the "Illustrated Alfa Romeo Buyer's Guide," which included a chapter on several models Alfa Romeo never exported to the United States, among them the Giulia 1300 TI. Inexpensive, and taxed at a low rate because of their small engines, the author wrote, the 1300 Giulias "opened the possibility of Alfa ownership to many who could otherwise not have afforded it."

The passage resonated, as did the car's design. Its gracefully boxy shape conveyed utility and style, while subtle creases in the metal above the headlamps suggested raised eyebrows, as if to hint that its 1,290 cc engine, like that of the Giulietta Sprint, was a high-revving twin-cam.

My wife, Belinda, and I were planning to visit Rome in July, so on the off chance that a 1300 TI was hiding out there, I started poking through Italian Web sites. In June, I found an ad for a 1969 1300 TI in the Rome postal code and e-mailed the lister.

Hours later, I got a reply from Alberto Viglione, an intermediario, or middleman, who described the Giulia, which had recently undergone a complete overhaul, as "bellissima." Its owner, he said, was "meticuloso" and had a diverse collection of vintage cars. Should the Giulia still be available in July, a meeting could be arranged.

A month later, my wife and I met Mr. Viglione at the gate of an apartment complex north of Rome's historic center. After an exchange of pleasantries in a makeshift blend of English and Italian, Mr. Viglione said, sotto voce, that the owner was the president of Registro Italiano Alfa Romeo, Italy's official Alfa Romeo registry.

As my head started spinning, Mr. Viglione led us into a courtyard and introduced us to Stefano d'Amico. Well dressed and superbly tanned, Mr. d'Amico emerged from a garage that housed a gorgeous silver 1963 Alfa 2600 Touring Superleggera.

After listening to me explain the origins of my hunt for a 1300 TI, Mr. d'Amico pointed to a pale gray sedan parked nearby. He had bought it only recently, to drive in a rally organized by the registry to commemorate the 50th

anniversary of the Giulia's 1962 debut. The car had just two previous owners and had spent its entire life in Florence.

Still wearing its original paint, the body was flawless, without a rust bubble in sight. Under the hood, the patina suggested a car that had been well used and well maintained.

Mr. d'Amico suggested a drive. As he feathered the car through the neighborhood, I struggled to remain objective, noting that the transmission, and particularly Alfa's famously weak second-gear synchronizers, were in good working order.

"How much gas does it drink?" I asked.

"Very little," Mr. d'Amico said.

"It's perfect," he insisted, as he steered toward an on-ramp for Via Flaminia. "You only need to put gas, water and oil. Nothing else."

Merging onto the highway, Mr. d'Amico explained that it paralleled an ancient road of the same name built in the third century B.C., leading from Rome to Ariminum on the Adriatic coast.

He then turned his attention to Mr. Viglione. The two spoke excitedly, after which Mr. Viglione said, "And now Stefano is going to give you a present -- a very big present."

Mr. d'Amico took the next exit and pulled into the parking lot of an auto mall. Stepping out of the Giulia, he and Mr. Viglione motioned for us to follow. Beside the parking lot was a trench, spanned by a footbridge with an iron railing. Mr. d'Amico pointed into the trench, at the bottom of which lay a carefully excavated stretch of road fashioned from large cobbles.

"That," Mr. d'Amico said, "is the original Via Flaminia." Gesturing to a pattern of ruts worn in the stones, he explained that they had been gouged by chariot wheels. Peering at the ancient road, and through 2,000 years of history, it struck me that those wonderful Alfa Romeo suspensions may owe their suppleness to the fact that many Italian streets are still paved with hand-laid cobbles.

Returning to the car, Mr. d'Amico drove from the auto mall to a tree-lined avenue. We switched seats and I set off. Even loaded with four adults, the Giulia felt ineffably light, its steering effortless and precise. Mr. d'Amico directed me to upshift whenever the tachometer approached 3,000 r.p.m. Easing back onto Via Flaminia, I listened to the barely perceptible whir of the 4-cylinder engine, wondering what beastliness it might produce in the high 5,000s.

The whole test drive had a certain surreal quality, but there were no untoward surprises. As Mr. d'Amico promised, the Giulia was "perfetto," and afterward there was little to discuss. I'd think it over and give him an answer soon.

"Take your time," he said, "I'm going to Sicily for 20 days. I'm in no hurry."

Back at our holiday rental, I requested quotes from several shipping companies in the United States. While the bids trickled in, a colleague suggested checking Italian magazines for local transporters. Wandering later that week near the Ghetto, the city's Jewish quarter, I asked a news vendor what he had in the way of vintage car magazines.

"Only this," the vendor said, handing over his last copy of *Automobilismo d'Epoca*.

Leafing through it at a nearby cafe, I caught my breath as I came upon a photograph of 10 Giulia sedans in a sun-beaten piazza. The accompanying article described the Giulia's 50th anniversary rally -- and included a quote from Stefano d'Amico. At that point I understood that my fate, and that of a certain gray sedan, were inextricably connected. It was no longer a matter of whether the car would follow me back to the States, but how.

Haggling was minimal: I made an offer; Mr. Viglione suggested raising it; Mr. d'Amico accepted.

After returning home, I settled on the Ted L. Rausch Company of Burlingame, Calif., to ship the car. Of the companies I queried, Rausch's quote was the lowest and would get the Alfa to San Francisco on budget.

Price wasn't the sole factor in my choice. When I asked Helmut Boeck, the vice president, about the company's experience with vintage cars, he said that it handled them regularly, adding -- out of the blue -- that it had only

recently shipped a car from Italy for Martin Swig. It seemed a fitting footnote, as Mr. Swig, who died in July, had in no small way instigated this whole expedition.

On Sept. 23, the Giulia sailed from the port of Civitavecchia aboard the M.S.C. Octavia. On Oct. 26, the ship's hulking silhouette emerged above a sparkling horizon due west of the Golden Gate. Days later, in a San Francisco warehouse, I looked on with disbelief as the doors of a weathered yellow shipping container swung open to reveal the little gray car within.

The Giulia was eased out of the container, its hood was lifted and a battery cable was reconnected. Its Solex carburetor mixed its first breath of California air with a bit of Italian gasoline, and with a few pulses of the starter the engine woke with a soft growl. Like much of the summer's adventure, it felt strangely like a dream. If, however, it proves to be one, I have no intention of waking up.

VOYAGER: Clockwise from left, the 1969 Alfa Romeo snug in the shipping container that housed it for the trip from Italy to the United States; passing through the Golden Gate; after unloading in San Francisco. ARIA: Music of the Alfa's 4 seduced the author. (PHOTOGRAPHS BY NICK CZAP FOR THE NEW YORK TIMES)

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The New York Times

WHEELS

Automobiles; SECTAU

Hey, You Sure Look Familiar

By PAUL STENQUIST

628 words

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5

English

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DEARBORN, Mich. - Ford introduced its 2014 Transit Connect Wagon in a news conference here on Tuesday. A people-mover based on the small Transit Connect commercial van that has been available since 2009, it shares that vehicle's distinctive high-roof shape and will be offered with either a 120.6-inch wheelbase and three rows of seats or a 104.8-inch wheelbase and two rows of seats.

With three rows of seats, the Transit Connect Wagon can hold seven passengers, just like a minivan. Both second- and third-row seats fold flat, creating an abundance of cargo space behind the front seat, just like a minivan. Sliding doors on both driver and passenger sides of the vehicle, just like those on a minivan, provide easy access to second- and third-row seating and, in combination with a liftgate at the rear, make for easy loading of whatever one might wish to transport.

"How is it not a minivan?" one of the assembled journalists asked after the presentation.

"It's a smaller package," said Tim Stoehr, Ford's commercial truck marketing manager.

The journalist pointed out that the subcompact Mazda5 is called a minivan.

"They can call it whatever they want," said Mr. Stoehr.

In truth, Mazda avoids the supposedly offensive minivan moniker as well, saying that the "Mazda5 refuses to be categorized." Both automakers perhaps believe that consumers find the M-word so offensive that applying it to a product would be suicidal. They could be right.

While the Transit Connect Wagon is clearly a minivan with a high roof, unlike other seven-passenger minivans available in the United States it is expected to deliver at least 30 m.p.g. on the highway. E.P.A. fuel-economy estimates are not yet available.

Engine choices will include Ford's 1.6 liter EcoBoost turbocharged 4-cylinder and a naturally aspirated 2.5-liter. No engine specs were provided, but in the Ford Fusion the 1.6-liter EcoBoost delivers 178 horsepower, while the 2.5-liter generates 175 horsepower -- with the turbocharged EcoBoost having a stouter torque curve and slightly better fuel economy.

Mike Levine, a Ford spokesman, said the cargo space of the long-wheelbase model with both second- and third-row seats folded was over 100 cubic feet. That makes it only slightly less cargo-capable than the Nissan Quest, which measures 108.4 cubic feet. The maximum cargo area of Chrysler's Town and Country minivan is 143.8 cubic feet.

The Transit Connect provides ample legroom for all passengers, even those in the third row. The third-row seat has 5 inches of adjustment built in, and when slid all the way forward, 19.8 cubic feet of cargo space is available behind the seat.

Several trim levels will be offered, and options will include leather seating surfaces, a touch-screen display, a rear-view camera, the MyFord Touch communication and entertainment system, and a full-glass panoramic roof.

Mr. Stoehr said no production estimates were available, but the mix is expected to be 80 percent long-wheelbase and 20 percent short-wheelbase models. The vehicle will be built in Ford's plant in Valencia, Spain. That plant builds a number of vehicles on Ford's C1 subcompact platform, so according to Mr. Stoehr, production is flexible and the mix can be adjusted to meet demand.

The Transit Connect Wagon is expected to arrive at Ford dealerships in late 2013. No pricing information is available at this time.

This is a more complete version of the story than the one that appeared in print.

IN A FAMILY WAY: The Transit Connect Wagon acts like a minivan. (PHOTOGRAPH BY FORD MOTOR)

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The New York Times

Business/Financial Desk; SECTB
Suzuki Exits U.S. Market For Autos

By HIROKO TABUCHI
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1

English

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TOKYO -- For all of Suzuki's tough talk about its "brush-busting" Samurai off-roader, the Japanese automaker never made it big in the United States. Its cars were too small, its safety record iffy and its branding a bit too comical (Suzuki Sidekick, anyone?).

So it came as little surprise to most analysts when Suzuki announced late Monday that it would stop selling automobiles in the United States and put its American unit into Chapter 11 bankruptcy.

"The United States was ultimately a tough market to crack," said Kentaro Arita, auto analyst and industry research division manager at Mizuho Corporate Bank. "Its exit was a matter of time."

Still, despite Suzuki's retreat in North America, the company has made spectacular inroads into emerging markets over the last decade. The low-cost, compact cars sold by Suzuki's India unit have the top share in that fast-growing market, and the automaker also has a growing presence in Southeast Asia.

Back home in Japan, Suzuki is a leader in a category of small cars called kei vehicles that enjoy preferential tax treatment by meeting limits on length, width, engine size and horsepower. The kei category, created in Japan's lean postwar years to help ordinary Japanese buy cars, has stayed popular as a cheap option fit for navigating the country's claustrophobic roads.

One of the company's kei cars, the long-selling Wagon R, is less than 14 feet long, about 5 feet wide and 6 feet high, and its engine size is limited to two-thirds of a liter, or motorcycle-caliber. Last month, almost as many units were sold in Japan as Toyota's Prius hybrid.

Suzuki's decision to pull out of the United States, whose market is dominated by larger models, was a sensible step to focus on its strengths, said Koji Endo, an auto industry analyst and managing director at Advanced Research, an equity research firm in Tokyo. The strong yen also made it difficult to profit by making cars in Japan and shipping them to the United States, he said.

"Basically, Suzuki does not need the United States, and the United States didn't need Suzuki," Mr. Endo said.

The American Suzuki Motor Corporation, the sole distributor of Suzuki vehicles in the United States, filed for Chapter 11 bankruptcy on Monday with \$346 million in debt, the company said. In a statement, Suzuki said that various challenges led to its withdrawal from the American market, including low sales volume, the limited number of models in its lineup and unfavorable foreign exchange rates.

Suzuki also blamed "the high costs associated with growing and maintaining an automotive distribution system in the continental United States," as well as "the disproportionately high" costs associated with meeting increasingly stringent state and federal regulatory requirements.

The company said it would sell its remaining inventory through its dealer network, honor existing warranties and continue to supply replacement parts for its vehicles. The company also intends to continue selling motorcycles, all-terrain vehicles and marine products in the United States.

Suzuki shares gained 0.65 percent to 1,847 yen (about \$23.02) in Tokyo after the announcement, against a 0.36 percent decline in the benchmark Nikkei index.

While an exit makes sense for Suzuki's bottom line, it does represent another disappointing failure by Japan's second tier of automakers in their attempts to follow Toyota, Honda and Nissan into the American market.

A foray by Daihatsu, another Japanese manufacturer of compact cars, lasted only four years before it withdrew in 1992. (Subaru, manufactured by Fuji Heavy Industries, has fared better.)

Suzuki also had big hopes for its Japan-made Samurai 4-wheel-drive vehicle, introduced in the United States in 1985. A \$30 million television advertising campaign urged American car owners to try the lightweight yet "rough, tough and brush-busting" off-roader.

The Samurai found a small but loyal following as a low-cost off-roader. But it also suffered early setbacks, including a drawn-out legal battle with Consumer Reports over whether the vehicles were prone to flipping over.

Suzuki later introduced several other models to the United States, including its Swift compact, and its executives spoke of selling 200,000 vehicles a year in the American market.

A partnership with General Motors proved beneficial for both sides, giving the American company access to expertise in smaller cars, while allowing Suzuki to tap G.M.'s dealership network to sell its cars.

But just as Suzuki's sales were gaining traction in the United States, topping 100,000 in the mid-2000s for the first time, the global financial crisis hit, decimating Japanese exports.

General Motors, scrambling for cash, sold off its stake in Suzuki, and the Japanese manufacturer withdrew from a joint manufacturing venture in Canada.

Since then, Suzuki's sales in the United States have dwindled. In the first 10 months of 2012, it sold just 21,000 vehicles. A budding partnership with Volkswagen also grew acrimonious, forcing Suzuki to regroup.

Experts said that Suzuki was likely to concentrate its managerial resources on strengthening its grip on markets like India, where it has been hit by worker strife in recent months.

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The New York Times

AUTO EGO

Automobiles; SECTAU

An Artist's Truck That's No More Than It Needs Be

By RICHARD S. CHANG

1,155 words

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The New York Times

NYTF

Late Edition - Final

1

English

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PUTNAM VALLEY, N.Y.

SHOULD you ever find yourself in this town, about an hour and a half north of Manhattan, and come across an old white pickup with its hood and tailgate painted black, you might chalk up the two-tone paint job to a D.I.Y. project gone awry.

But you'd be wrong. In fact, the handiwork was performed decades ago by one of the pillars of the Minimalist art movement, Donald Judd.

Judd, who stopped making paintings in the 1960s and died in 1994, was known for his geometrically precise sculptures and installations. In 1971, he moved from New York City to Marfa, then a dying town in the high desert of West Texas, less than 100 miles from Mexico.

"Because of the glare, he painted the hood black to kill the reflection," said Evan Hughes, who bought the 1972 Dodge Power Wagon 200 from Judd's son, Flavin, in 2000.

Judd didn't stop there. He painted the tailgate and the bumpers black, which gave the truck its distinctive look.

The doors of the truck bear the symbol of one of Judd's ranches in Marfa, which is known for its treeless -- and flat -- landscape.

"I don't think it ever went up a hill before it got here," said Mr. Hughes, referring to the very different terrain in the upstate area where he lives.

One brisk Sunday afternoon this fall, the old Dodge was parked in Mr. Hughes's driveway under a tall canopy of elm, maple and oak, all a week or so away from peak color. Mr. Hughes, a furniture maker, wore a black shirt, bluejeans and black shoes.

When he spoke of the truck, he sounded like a docent leading a museum tour. In many ways, the truck is an artifact.

"It's pretty much as it was," he said.

He noted some points of interest: a winch on the bumper spooled with 100 feet of cable, passes for Judd's trips into Mexico on the rear window and a first-aid kit mounted on the driver's door.

Unsnapping the wire clasp that holds the tin cover in place, he demonstrated that the kit was still fully stocked (with, among other things, ammonia inhalants, aspirin and an eye patch).

In a compartment along the side of the truck, Mr. Hughes dusted off old engine belts, an owner's manual and a rusted metal container that could have been used for ammunition. He had removed a gun rack when he bought the truck, and to make more room in the cargo bed, Mr. Hughes also removed a toolbox and a water tank.

"This was really equipped for the desert," he said. "In case you get lost or stuck, there's nothing for miles."

Before Judd arrived, there was not much to know about Marfa aside from two pieces of trivia: it was a location for the 1956 film "Giant," one of James Dean's three starring roles, and it was where the mysterious phenomenon of the Marfa Lights, unpredictable flickerings in the sky of unknown origin, were sometimes seen.

Then Judd moved into town.

"He called it a featureless landscape," Mr. Hughes said. "There are mountain ranges in the background, but there's no real landmarks."

Judd bought ranches, abandoned buildings and the remains of Fort D. A. Russell, a closed military base. With the help of the Dia Art Foundation, he turned the base into a museum, naming it the Chinati Foundation, after the mountains.

"He grew dissatisfied with New York because it didn't have big enough spaces or pristine enough spaces for his artwork," Mr. Hughes said. "One of his ideas about art was to have context, sort of the perfect sculpture in the perfect space and kept that way."

Mr. Hughes was quick to note that he was not a Judd worshiper, but he does identify with the artist, who dabbled in furniture design.

"My interests have always been in art, architecture and furniture -- together. Which fits perfectly with what Donald Judd has always been into," he said.

Mr. Hughes is a soft-spoken man with chestnut hair and close-trimmed beard. He has been a furniture designer for 32 years, since graduating from the Rochester Institute of Technology. He moved to Brooklyn in 1990 and, based on the recommendation of a friend, he made his way to Marfa in 1997. After he bought an apartment complex downtown that required some work, he went looking for a truck to haul material for the renovation.

The connection to the truck, Mr. Hughes said, came through his friendship with Judd's son, Flavin, who was looking for practical transportation after the birth of his second child.

Mr. Hughes bought the Dodge, which had a little more than 68,000 miles on it at the time, for less than \$5,000.

Though Mr. Hughes and his wife, Lynn McCary, an event planner, have nothing but fondness for Marfa, their lives and jobs continued to pull them back to New York.

In addition to building furniture, Mr. Hughes fabricates art pieces. He recently built sculptures for the artist Richard Artschwager for a show in Rome. He also built pieces that were included in an Artschwager retrospective at the Whitney Museum this month.

Finding time to visit Marfa is not easy. "It's very isolated," Mr. Hughes said. "It's 13 hours from New York. You fly in to El Paso and then drive three hours south to Marfa. You can get to a lot of places in 13 hours."

Mr. Hughes eventually shipped the truck to New York. His main residence is in Brooklyn. But, he said, driving the truck "around the city is just crazy." It has no radio or air-conditioning. The engine is a 360 V-8 with a 4-speed manual transmission, and it's geared very low.

"It does not go much more than 75 miles per hour," he said.

Here in Putnam Valley, Mr. Hughes does not ask much of the truck aside from hauling firewood and some light construction. Like the art of its first owner, he noted, the truck is quite minimalist.

"It's not more than what you need," he said.

Owner: Evan Hughes Occupation: Furniture designer Vehicle: 1972 Dodge Power Wagon 200 Year acquired: 2000

MASTERWORK: Evan Hughes's 1972 Dodge pickup got its distinctive paint job from the artist Donald Judd, who once owned it. (AU1); BEYOND MARFA: Evan Hughes uses his Dodge truck to haul firewood and for construction jobs.; TOOLS OF THE TRADE: From above, a vintage first-aid kit inside the door of the Dodge truck; the tailgate is a Donald Judd original; a utility compartment under the cargo box adds practicality. (PHOTOGRAPHS BY TONY CENICOLA/THE NEW YORK TIMES) (AU2)

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The New York Times

Business/Financial Desk; SECTB

Fiat's Plan to Go Upscale Is Met With Skepticism

By JACK EWING

1,417 words

2 November 2012

The New York Times

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Late Edition - Final

3

English

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FRANKFURT -- Sergio Marchionne, the chief executive of Chrysler and Fiat, was the model of the concerned corporate leader when he vowed this week not to close any underused Italian car factories. But many doubt whether even the man who led Chrysler's revival can defy Europe's worst industry downturn in decades.

Instead of closing factories that are operating at less than half of capacity and throwing thousands of people out of work, Fiat will attempt to do what BMW and Mercedes have done in Germany. It will make Italy a production center for the company's pricier brands, like Alfa Romeo and Maserati, which Fiat will then try to export to the United States and fast-growing markets in Asia.

The ambitious plan has been received skeptically by analysts who doubt whether Alfa Romeo can play in the same league as the German brands -- each of which sells more than four times as many cars in Europe and already have strong positions in America and China.

"Alfa has too little volume," said Ferdinand Dudenhöffer, a professor at the University of Duisburg-Essen in Germany who generally admires Mr. Marchionne.

Even in Italy, where Fiat is the largest private-sector employer, Mr. Marchionne's vow not to close plants won only muted praise. Many in the country complain that he has not kept past promises to invest in new Fiat brand cars.

"Fiat's words are good, fair and realistic," Roberto Cota, the president of the Piedmont region, told the news agency Ansa. "But as president of the region I await facts."

What is more, any good will generated by Mr. Marchionne's show of commitment to Italian jobs was overshadowed by a decision this week to fire 19 workers at a factory in Naples. That came after a court ordered the company to rehire 19 others who had been dismissed, ruling in favor of their claims of discrimination.

If the firings seemed vindictive to the company's critics, Fiat said in a statement that it had "no alternative but to employ the necessary mechanisms to reduce the company's existing work force by the same number."

During a week in which Ford and General Motors reported another quarter of huge losses in Europe, Mr. Marchionne illustrated just how different the crisis on the Continent is playing out compared with the one on the other side of the Atlantic in 2009.

European automakers cannot count on U.S.-style bailouts from strapped governments. And even if countries did try to prop up their national champions, they would probably run afoul of European Union rules.

In Europe, the government role usually consists of trying to prevent car companies from cutting jobs, even in response to huge financial losses. Calls by Mr. Marchionne for a coordinated, industrywide reduction of factory capacity have not led to any action. So the carmakers are left to fight among themselves for higher shares of a shrinking market -- a competition that not all can win.

"The market is going to be a lot tougher than people think," Mr. Marchionne said during a conference call with analysts Tuesday. "This is truly not for the fainthearted."

Not that the car business is immune to politics in the United States, where Mr. Marchionne has been drawn into the fray. The Republican presidential candidate, Mitt Romney, has been running television commercials contending that President Barack Obama "sold Chrysler to Italians."

In fact, many analysts credit Mr. Marchionne -- who grew up partly in Canada and has dual Canadian and Italian citizenship -- with rescuing Chrysler from oblivion. The rescue saved the jobs of more than 55,000 company employees, mostly in the United States and Canada.

"If it wasn't for Marchionne Chrysler wouldn't be around," said Paul Nieuwenhuis, a director of the Center for Automotive Industry Research at Cardiff University in Wales.

Fiat and Chrysler remain legally separate. And Fiat cannot subsidize Italian operations with Chrysler profits, according to the company. On the contrary, Fiat has been supplying Chrysler with components and engineering that allow it to introduce more new products than it might be able to do on its own. The new Dodge Dart borrows heavily from the Alfa Romeo Giulietta, and the company is expected to incorporate more Italian styling and technology into future Chrysler models.

While European sales have not yet dropped as steeply as they did in the United States in 2009, the downturn -- 20 percent since 2007 -- has lasted longer and an uptick is not yet in sight. Mr. Marchionne said that Fiat's European operations would not be profitable again until 2015 or 2016. G.M. this week made a similar forecast for Opel, after reporting a pretax loss in Europe of \$478 million.

Except for Ford, which plans to close three factories in Europe after reporting a pretax loss of \$468 million in the region during the quarter, automakers have been hesitant to face the public opprobrium that accompanies any shutdown. Opel plans to close a plant in Bochum, Germany, but probably not until 2016.

Mr. Marchionne, who said earlier this week that it made more business sense to keep plants open, promised to roll out an array of new high-end models that would be built in Italy for export. The product offensive is to include seven new Alfa Romeos, six new Maseratis and a new Jeep brand vehicle.

Critics are skeptical about the plans to move upmarket.

"They've been trying that for a while with limited success," said Mr. Nieuwenhuis of Cardiff University. Alfa and Fiat have too thin a distribution and service network in Europe even when its products are appealing, he said. "What let them down was their dealer network," Mr. Nieuwenhuis said.

All the European carmakers are trying to escape dependence on lower-priced vehicles with thin or nonexistent profit margins. They look enviously at the German carmakers, which have remained profitable through the downturn. So far no European rivals have been able to seriously challenge the dominance of BMW, Mercedes and Audi.

Renault said Wednesday that it wanted to focus its French factories on higher-priced cars like the Laguna. The company said it would begin talks with labor unions next week on how to operate more profitably. In a statement, the company did not mention plant closings.

Given that Mr. Marchionne has already led one turnaround at Fiat, and gets credit for saving Chrysler, it would probably be a mistake to underestimate his chances. For all its problems, Fiat has performed better in Europe than Ford or Opel.

Fiat said Tuesday that it lost €219 million, or \$283 million, in Europe, the Middle East and Africa in the third quarter, compared with a loss of €135 million a year earlier. As bad as that is, it is still substantially better than Ford's and G.M.'s results in the region.

"We have all said nasty things about his strategy but he did better than we expected," said Mr. Dudenhöffer of the University of Duisburg-Essen.

Still, some analysts have expressed doubt how long Fiat, which is profitable over all because of sales outside Europe, can continue to absorb losses at home. Analysts at Credit Suisse estimate the company is burning through €15 million a day. On Tuesday the company raised its estimate of what its debt would be at the end of the year, to €6.5 billion. That compared with a previous forecast of no more than €6 billion.

When an analyst questioned Tuesday whether Fiat had enough money to carry out its plans for new models, Mr. Marchionne replied sharply: "There is enough cash coming out of this damn thing, don't worry about it."

One reason that Fiat has lost less money than some rivals is that the company has drastically cut investment in new Fiat cars. In an industry that lives on new products, that is a controversial approach.

"The one big risk with Marchionne is that he is saving very radically on product development," Mr. Dudenhöffer said. "He is taking a big risk. We'll see in a few years whether it worked."

Elisabetta Povoledo contributed reporting from Rome.

This is a more complete version of the story than the one that appeared in print.

A Fiat dealership in Rome. Fiat intends to make Italy a production center for the company's more expensive brands. (PHOTOGRAPH BY ALESSANDRO BIANCHI/REUTERS)

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The New York Times

WHEELS

Automobiles; SECTAU

Mopar's Big Plans For SEMA

By JERRY GARRETT

775 words

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The New York Times

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Late Edition - Final

2

English

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The primary intention of the annual Specialty Equipment Market Association trade show in Las Vegas, scheduled from Tuesday to Nov. 2, has always been to showcase aftermarket accessories developed for the automotive industry. But as car manufacturers have become more invested in how its vehicles are customized, the SEMA Show has developed into an important forum, much like a traditional auto show, for demonstrating the personalization possibilities of a brand's rides.

Lest their efforts be swallowed in the commotion of a trade show covering one million square feet of exhibition space, a number of automakers have previewed their offerings in recent weeks. Mopar, the parts and accessories division serving Chrysler, Dodge, Jeep, SRT, Ram and Fiat, introduced perhaps the largest factory-backed assortment of vehicles.

Though the Jeep Wrangler is often called the most customized vehicle on the market -- a whole industry of aftermarket parts suppliers has sprung up to serve it -- Jeep has not traditionally done much with it. So SEMA represents a coming-out party of sorts for Mopar's increased emphasis on Jeep parts.

The Cherokee Half and Half concept is a striking demonstration of the difference that in-house customization can make. The car has a zipper graphic down the middle, so one-half of the vehicle is stock, the other half is fully Mopar-ized.

The Jeep Wrangler Sand Trooper showcases a 375-horsepower conversion kit for Chrysler's venerable 5.7-liter Hemi V-8 engine. There's also a five-inch lift kit, which includes suspension and axle mods; 42-inch mud-bogger tires; a full underbody skid plate, winch, rock rails and auxiliary storage compartments.

Every accessory on these cars, including the Wrangler's half doors, is available from Mopar.

The Dodge Charger Juiced is the brand's rear-drive sedan rendered street-legal hot rod, with a 650-horsepower V-10 crate engine stuffed in it. The exterior gets assorted graphics and accents for the Copperhead paint scheme.

Dodge said when the 2013 Dodge Dart went into production, there were already more than 150 Mopar parts and accessories available for the compact sedan. The busy-looking Dart Carbon Fire concept apparently has all 150 of them bolted on.

The new 2013 SRT Viper arrives from the factory built at the edge of road-car performance, but a race-inspired custom yellow paint job amplifies its already considerable bad-boy image. Carbon fiber is used for accents, inside and out. The distinguishing attribute of the interior is a sort of bumblebee color scheme. Racing seats, with six-point safety harnesses, are sure to remind the boulevard poseur that it is always better to look good than feel good.

Other highlights among the 24 different Moparized vehicles scheduled to be displayed include the Chrysler 300 Luxury concept, with subtle touches intended to remind attendees that the recently redesigned 300 has gone through rehab successfully and is now a recovering urban gangster.

The Urban Ram, meanwhile, may attract the disenfranchised 300 customizer, with an appearance and handling-enhancement package that the company said would amp up the truck's "intimidation factor."

A playful take on the West Coast car-customizer vibe, the Fiat 500 Beach Cruiser has an entertaining surf motif. The charcoal-gray, matte-finish 500 features a body widened by a foot both front and rear, with old-school fender flares that cover aluminum Mopar prototype wheels. Red paint brightens the rims, as well as satin and brushed center caps that impart a clean look while hiding the lug nuts.

The exterior metal work receives a satin, brushed finish on the door handles, mirrors and Mopar fascia accents, including the front chin spoiler and Mopar roof-rack surfboard carrier. Headlamps are tinted, and cues from vintage hot-rod culture are found on the prototype Mopar hood and rear deck lid, which include louvers that are functional and aesthetically appealing. Teak woodwork on the slats of the roof rack, which carries a custom surfboard painted to match the body, round out the Vegas-bound supermini's C.V.

"The SEMA Show is the perfect place for us to showcase our vast portfolio of proven, quality-tested Mopar performance parts and accessories," Pietro Gorlier, president and chief executive of Mopar, said in a media statement. "We hope that showgoers look at each of these vehicles and get inspired to customize and accessorize their rides."

This is a more complete version of the story than the one that appeared in print.

SURFER: The Fiat 500 Beach Cruiser is wider than a regular 500. (PHOTOGRAPH BY CHRYSLER GROUP)

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The New York Times

WHEELS

Business/Financial Desk; SECTB

Nissan Recalls 14,000 Altimas Because of a Steering Defect

By CHRISTOPHER JENSEN

630 words

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6

English

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11:24 a.m. | Updated

Nissan is recalling almost 14,000 of its 2012-3 Altimas because of a steering defect that could cause the driver to lose control of the vehicle, according to a report (PDF) the automaker filed with the National Highway Traffic Safety Administration.

Notably, the recall applies to certain 2013 models; the Altima was redesigned for the 2013 model year.

The safety agency also posted a report (PDF) announcing an investigation into the possibility of "a complete loss of steering capability" on 70,000 Hyundai Santa Fe crossovers from 2011.

Nissan told the agency that bolts for the power steering rack and transverse link were not torqued to the proper specification. This could allow the bolts to loosen, initially causing a rattle and vibration.

"If the driver continues to drive the vehicle in this condition the bolts may fall out completely and in that extreme case the driver may experience difficulty controlling the direction of the vehicle," Nissan said.

Nissan told the agency it found a loose transverse link bolt late in July "during a routine dynamic driving evaluation." Early in August, Nissan found additional loose bolts in vehicles at the assembly plant in Canton, Miss.

The automaker, which said it requested that dealers check vehicles for the condition, did not conclude a recall was needed until Oct 3. Steve Yaeger, a Nissan spokesman, wrote in an e-mail that the automaker was not aware of any accidents related to the problem.

The investigation into the Santa Fe involves a concern over a loose fastener in the steering shaft of 2011 models.

The agency said it decided to investigate after receiving one complaint from an owner of a "complete loss of steering," although there was no accident. N.H.T.S.A. also said it received "field report data" from Hyundai about a similar issue, but the agency did not provide details.

Here are other recent safety actions:

N.H.T.S.A. is investigating possible stalling problems on 112,000 Jeep Patriots from the 2011-2 model years. In a report filed on the agency's Web site (PDF), investigators said they had 12 complaints of stalling, 10 of which said the engine stalled at 65 miles per hour or greater. There was one claim of an accident resulting in an injury of undisclosed severity.

The agency is investigating the 2009-11 Graco My Ride 65 and some 2009-11 Nautilus child restraints after receiving 25 complaints from owners who said they had trouble unlatching the harness buckle, according to a report (PDF) filed on the agency's Web site.

The report said nine of those owners complained they could not unbuckle the harness to free their child, and three of those said they had to cut the straps. The other six pulled the child "through the still-buckled harness."

The agency document listed the number of seats involved as "confidential." An agency spokesman could not explain why the number was not disclosed.

Mercedes-Benz is recalling almost 500 E-Class coupes from the 2012 model year because the passenger-side window curtain air bag might not deploy in a crash, according to a report (PDF) filed with the agency. The bag is designed to deploy from the roof, just above the top of the window, to provide head protection.

Nissan and Mercedes described their recalls as voluntary, but once a manufacturer learns of a safety problem it has no choice but to inform the agency within five business days of its plan for a recall or face a civil fine.

This is a more complete version of the story than the one that appeared in print.

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The New York Times

Automobiles; SECTAU

Places to Turn To Drive Again

By PAUL STENQUIST

473 words

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2

English

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FOR people with limited mobility who want to get back behind the wheel, there are many resources to help them achieve that.

A brochure from the National Highway Traffic Safety Administration, "Adapting Motor Vehicles for People With Disabilities, is a good place to begin. It's available online at nhtsa.gov/cars/rules/adaptive/brochure/index.html and outlines the steps for buying a vehicle modified with adaptive equipment, learning to operate it and obtaining a license.

Another good resource is www.driver-ed.org, the Web site of the Association for Driver Rehabilitation Specialists, a nonprofit organization that provides support for people with disabilities and certifies driver rehabilitation specialists. The organization's Web site includes a database of specialists and mobility equipment dealers, organized by state.

Amy Lane, past president of the association, said in a telephone interview that although each state might have different licensing regulations, the steps are relatively consistent throughout the United States.

An evaluator, typically a therapist, must assess candidates and makes recommendations on the types of vehicle they could drive. Next is a training program with a driver rehabilitation specialist. That can include on-road instruction in a vehicle equipped with special controls.

Then comes the driving test. In Michigan, it involves a written exam, a driving skill test on a closed course and a driving evaluation in traffic. Ms. Lane said those steps were typical of most state requirements.

A number of companies, including MobilityWorks and Ride-Away, sell converted vans, pickup trucks and three-wheel motorcycles for people who use a wheelchair.

One of the leading companies providing adaptive control systems for vehicles is Electronic Mobility Controls. Its J-Series controller uses a joystick to control steering, gas and brake. Moving the joystick 50 degrees left to right provides lock-to-lock steering. Moving it forward and back controls throttle and brakes. Another option combines a lever for brake and throttle with a joystick or compact wheel for steering. Alternatively, two joysticks can be installed, one for steering and the other for brake and throttle.

Bill Koeblitz, chief executive of MobilityWorks, said in a telephone interview that the price of a conversion could range from about \$1,200 for simple hand controls to about \$40,000 for a typical advanced system, excluding the cost of the vehicle.

Larry Klug, a rehabilitation specialist in Bay City, Mich., said in a telephone interview that total costs for a 2003 Ford van he helped outfit were \$129,000, including the new vehicle.

According to N.H.T.S.A.'s Web site, there are government programs that will help pay for the cost of vehicle modification. The agency suggests contacting a state vocational rehabilitation department for more information. Veterans can also contact the federal Veterans Affairs Department.

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The New York Times

Cars; SECTF
When a Crisis Comes With a Reset Button

By BILL VLASIC
2,079 words
12 October 2012
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1

English

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ONCE again, the global auto industry is discovering that America is still the best place in the world to make money selling cars.

After dropping precipitously just three years ago, the United States market is growing fast and furiously, up 14 percent this year and headed above 14 million in annual sales for the first time since 2007.

It has been a sudden, stunning turnaround, particularly when compared with the deepening gloom in the European market, the volatility in South America and an unexpected slowdown in China.

The economic environment in the United States has hardly been ideal for a comeback in the car market. Unemployment remains stubbornly high. Housing starts are flat. Consumer confidence is shaky at best. Yet people who put off buying a new car during the recession have come back in droves. And after crashing to its lowest sales level in 25 years in 2009, the United States market has regained its status as a safe haven for the world's automakers and their most reliable source of profits.

"The industry was able to heal itself with natural remedies: new products, improved gas mileage, better technology and providing good value to people who need to replace older models," said Jesse Toprak, chief market analyst for the auto research site TrueCar.com.

Meanwhile, the European market has crumbled under a debt crisis and recession that could depress sales for several more years. China's sensational growth rate has tapered off as well, even as manufacturers keep building factories.

The wild fluctuations have forced car companies to react more rapidly by taking advantage of strong demand in some markets while steeling themselves for lengthier recoveries in others.

"As you move from place to place you actually have to change your spots," said Sergio Marchionne, the chief executive of Chrysler and its parent company, the Italian carmaker Fiat. "I mean, it's like you go through reincarnations every time you travel into different jurisdictions."

Mr. Marchionne's challenge is a snapshot of the difficulties facing most global competitors. In the United States, Chrysler has rebounded from bankruptcy and a government bailout to become the hottest American car company, posting double-digit growth with a revamped lineup of passenger cars and S.U.V.'s.

But in Europe, Fiat is struggling to keep its plants running at even half-speed.

All over the Continent, automakers are slowing production to match steadily shrinking demand. Once a pillar of stable, predictable demand, Europe now faces the same overcapacity issues that plagued the American market a few years ago.

Mr. Marchionne has become a lightning rod for criticism in Europe and in Fiat's home market in Italy for advocating a regionwide restructuring to reduce production.

Other automakers have been less vocal, but share his concerns that too many plants are making too many vehicles for too few buyers.

"This is not a cyclical issue, it's a structural one," said Robert Shanks, the chief financial officer of the Ford Motor Company, which expects to lose more than \$1 billion in Europe this year.

The crisis in Europe underscores how even the most mature automotive markets can lose their equilibrium when larger economic forces depress demand. Riding out the downturn is not an option, not when inventories and losses are piling up month after month.

"If I told you that the set of tasks we are facing are easy, I'd be lying," Mr. Marchionne said. "They require every ounce of skill that you have."

The American market, however, looked just as dismal three years ago. For too long automakers kept overproducing, then greasing the market with cheap loans and big discounts to move unsold inventories. Consumers waited for the next sales promotion, confident that carmakers would undercut one another on price to generate demand.

Like the European car companies, Detroit's three automakers were locked into union contracts that made closing factories and cutting jobs difficult and expensive. Buying out workers cost billions of dollars and cut into capital budgets needed to make better, more competitive cars.

The reckoning came when fuel prices shot up in the spring of 2008 and the market for large trucks and S.U.V.'s collapsed overnight. Then the economy turned sour, credit dried up and auto sales plunged. General Motors and Chrysler needed a government bailout to survive, while Ford squeaked through only because it had been prescient enough in 2006 to mortgage its assets and borrow \$23 billion.

Yet the crisis was exactly what the American industry needed to reform and set the stage for its remarkable recovery.

Bankruptcy forced G.M. to drastically scale back production and eliminate entire divisions like Pontiac and Saturn. Under Mr. Marchionne, Chrysler pulled back on sales incentives and allowed its market share to bottom out. Even Ford, the healthiest of the three, streamlined its product lineup and poured resources into models that could be sold throughout the world.

By getting smaller and more focused, the Detroit companies were poised to benefit when consumer demand picked up. And instead of buyers being lured into showrooms by sales promotions, they returned to the market more to replace older models.

The average age of vehicles on the road had ballooned to 11 years, and many of those older models had woeful fuel economy. The aging of the nation's fleet turned out to be the best stimulus the industry could ask for. And when consumers began shopping, they found the products offered by Detroit and its competitors to be more fuel-efficient than ever and laden with new technology and safety features.

"The key was that the industry could now sell new cars without resorting to huge incentives that destroyed profits," said Mr. Toprak, the analyst. "Then they could spend more on improving their products."

Now the three Detroit companies are creating jobs rather than cutting them and adding shifts at plants rather than shutting them down. It's not just the domestic automakers capitalizing, either. The German automaker Volkswagen, for example, is already expanding its new plant in Tennessee to meet the growing demand. And Japanese automakers are trying to shift as much production as possible to North America to take advantage of the revitalized market.

Predictions that the United States auto market had lost its vitality seem hollow now. Sales are on track for a third consecutive year of double-digit percentage growth. By next year, analysts expect industry sales to top 15 million vehicles.

The resurgence offers lessons for other markets, especially Europe. The crisis in the American industry was a shock to the system, forcing management and labor alike to confront the problem of spiraling costs and overproduction.

"We need to address our issues in Europe the same way we did in the U.S.," said Stephen J. Girsky, G.M.'s vice chairman and interim head of its troubled Opel division in Europe. "We cannot be satisfied to keep losing money."

European sales have fallen 7 percent so far this year, and some countries like Italy are doing even worse. Yet it's rare that even a single factory closes on the Continent, because of the opposition of unions as well as

governments. Calls for restructuring are met with protests, even as plants operate far below capacity and dealerships are clogged with a backlog of inventory.

"Europe is in a lot of ways almost like a hopeless romantic," Mr. Marchionne said. "I mean it's sitting over there wishing that things were different than they are."

The resistance to painful restructuring is reminiscent of how the United Automobile Workers union fought cutbacks by the Detroit companies for years. Contracts and past promises were considered sacrosanct -- even the much-criticized "jobs bank" in which idled employees were paid not to work.

But the financial crisis changed all that. The corporations and their work forces were forced to make hard choices to regain their competitiveness, including the introduction of a two-tier wage system in unionized plants.

It appears to be only a matter of time before the European industry confronts the same tough issues and sharply reduces the cost of producing cars. And the slowdown in sales now will have a benefit down the road, when consumers need to replace outdated clunkers with new products.

The situation in China also recalls a simpler era in the American industry. In the boom decades of the 1950s and '60s, carmakers indiscriminately built new factories to keep up with rising demand. As the country grew wealthier, the odds were that consumers would continue to splurge on new, fancier cars.

But even the fastest-growing economies have to catch their breath, and China is proving no exception. Overproduction there will eventually force automakers to offer discounts, which in turn will reduce the amount they spend on new models. No market, not even China, can avoid the pitfalls of overexpansion, Mr. Marchionne said.

"Whenever you go through excesses, the steady hand says that you need to retrench," he said. "If you believe in the bubble, you're going to end up with a lot of soap on your face when it bursts."

It took a hard fall for the American industry to learn that lesson. In the absence of its tremendous cash squeeze in late 2008, G.M. might have continued muddling along, losing money while producing far more vehicles than it could sell. It took billions in losses before Ford was willing to part with unprofitable brands like Jaguar. And Chrysler might never have broadened its truck-heavy lineup to include smaller, more fuel-efficient cars if its very existence were not threatened.

The newfound discipline by the American companies is producing better cars for consumers, which is crucial to maintaining a steady, sustainable level of demand. No longer does Detroit rely on cut-rate leases to entice buyers into its latest models. Now shoppers are more willing to choose their next car based on its features and performance instead of discounted prices or monthly payments.

The broader solution to a healthy global industry is spreading the costs of developing a new car by starting with vehicle platforms that can yield several models.

Companies like Toyota, Nissan and Volkswagen produce an average of eight models off a single platform, according to Barclays Capital. G.M., by comparison, gets fewer than three models off a typical platform.

The best carmakers can take the basic platforms and generate different cars for different regions, and tailor their production plans depending on sales. Factories can be more nimble, substituting a hot-selling model for one that is lagging in another market.

Economies of scale and so-called global platforms have long been the goal of many automakers, but few have achieved them. Some companies have failed by refusing to homogenize platforms for fear of diluting their brands. The merger of Daimler and Chrysler fell apart partly because of a reluctance to share platforms between Daimler's Mercedes-Benz luxury cars and Chrysler's mass-market models.

Mr. Marchionne has a unique vantage point on that challenge. He has so far successfully used Fiat-based technology and platforms to improve Chrysler's product lineup. And he readily acknowledges that the turmoil and trouble Chrysler went through prepared the foundation for its marriage to Fiat.

The American auto industry, he said, is better off for having gone through the wringer of bankruptcies, bailouts and horrible sales.

"Surviving these events makes you into a different person because you end up realizing you got really close to losing it all," he said. "You end up appreciating every damn thing that happens to you because you know deep down it could have been otherwise."

The troubles in Europe should be a constant reminder of what the American industry went through just a few short years ago. "And if we don't manage it properly," Mr. Marchionne said, "it could happen again."

NEW VITALITY: The G.M. plant in Arlington, Tex., which is undergoing an expansion that will add a stamping unit and lead to what the company believes will be more than 1,000 new jobs.; PUNCHING IN: Top, the day shift arriving at the G.M. plant in Arlington. Bottom, new hires signing in for an orientation session at the plant.; GOING UP: An exterior view of a new section being added in Arlington. (PHOTOGRAPHS BY BRANDON THIBODEAUX FOR THE NEW YORK TIMES) (F6)

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The New York Times

COLLECTING

Automobiles; SECTAU

Preserving Classics, Wrinkles and All

By FRED HEILER

1,700 words

7 October 2012

The New York Times

NYTF

Late Edition - Final

1

English

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CORRECTION APPENDED PHILADELPHIA

AMONG the rows of gleaming classics at collector car exhibitions like the Pebble Beach Concours d'Élégance, a few clusters of vehicles seem decidedly out of place. These cars are not white-glove spotless, and they lack the perfect paint, flawless upholstery and brilliant chrome seen on almost every other vehicle awaiting the judges' inspection.

Entries in so-called preservation classes, these cars are shown with a patina that tells a story of decades of service, their faded finishes, worn seats, stone chips and rust specks verifying their biographies. Valued for their originality and historical significance, not for the quality of a restoration, they present the wizened, character-laden faces of survivors rather than the unlined Botoxed perfection of aging starlets with plastic surgeons on speed dial.

Unrestored cars may not be the headline-making winners of best-in-show awards, but preservation classes are increasingly a feature of concours events, and collectors are recognizing their special status by driving up their prices. "Barn find," a catchall term for cars unearthed after decades of neglect, has become a buzzword on cable television and at auctions of vintage autos.

Indeed, a significant auction devoted to the promotion of preserved classics is set for Monday at the Simeone Foundation Automotive Museum here. The sale is being organized by Bonhams, the fine art and antiques auction company.

"Good original, unrestored cars are now highly sought after, with the values of preserved cars escalating every year," Rupert Banner, director of Bonhams's car department, said in a news release. "In the last two or three years, auction prices for preserved cars in their original condition have exceeded those for cars that have been restored."

For the auction, Bonhams is collaborating with the museum's founder, Dr. Frederick A. Simeone, whose collection specializes in racing sports cars, many of them left as they were the last time they competed. Dr. Simeone has been collecting cars most of his life -- longer than he has practiced medicine, in fact.

As a neurosurgeon, Dr. Simeone lives by an intricate network of standards and procedures. But above them all is the guiding principle of his profession: first, do no harm. That mind-set comes through in his new book, "The Stewardship of Historically Important Automobiles" (Coachbuilt Press, \$60), which goes on sale the day of the auction. The book details the ethics and aesthetics of car preservation, even proposing guidelines for collectors.

Some in the collecting community suggest that the shift toward preservation is a sign of maturing tastes. Others say it is simply a reaction to the overrestoration of show cars -- evidenced by, for example, paint jobs that are much better than the original finish and body panels that fit more precisely than in any mass-produced vehicle. Such cars may wear leather where there was once fabric, chrome where there was only paint and paint where there was originally bare metal.

Because this hypercompetitive dazzle usually comes at a breathtaking price, a preservation trend might reduce the cost of admission to the car-collecting world, and that seems healthy.

In one chapter of Dr. Simeone's book, Leigh and Leslie Keno of PBS's "Antiques Roadshow" emphasize that a passion for collecting antique furniture and fine art is centuries old, and that careful preservation is nearly absolute for such objects. In contrast, car collecting is a relatively young pursuit in this country, mostly since World War II.

The Keno brothers provide startling examples of preservation prices. A William and Mary armchair from the 1700s with its original finish that has darkened over the years can go for more than \$120,000, but one that has been stripped and refinished is worth a fraction of that. Another example is a rare banjo clock from the early 1800s by the famous clock maker Aaron Willard. In otherwise perfect shape, its gears were clogged with dust, so a well-intentioned repairman not only cleaned the movement, but also polished every part. The clock had sold for \$28,000 after it was discovered, but when an auction house mistakenly assumed the old clock had new works, it went for only \$7,000.

To maximize the resale value of an unrestored car, the Kenos recommend that owners keep the original parts (even if they're damaged or worn out) as well as photographs, manuals and trophies.

One example of an untouched car bringing a premium over restored versions is a 1962 Mercedes-Benz 300SL roadster that sold for \$951,000 at a Gooding & Company auction in Arizona last year. The president of the auction house, David Gooding, said a fully restored SL would usually sell for 20 to 30 percent less.

Over the last decade or two, serious car collectors have increasingly acknowledged that a car can be original only once. As a result, the patina of preserved cars -- weathered paint, worn leather and pitted chrome -- have led to incidents of false patination. As preserved cars become more valuable, some owners are having significant damage repaired, but treated to look original. Dr. Simeone maintains that such repairs are allowable, as long as the damage and its repair are photographed and documented, then disclosed whenever the car is displayed or changes hands.

This respect for history and originality has given rise to the idea of reversible restoration. To repair major damage, new technology allows collectors to use soluble compounds for paint and body repair that can be removed in the future without harming the surrounding original paint.

The discovery of a barn find -- an unmolested vehicle of value that comes to light when the detritus of an old shed or warehouse is pushed aside -- generates great excitement in the collecting world. And in the view of many, so much the better if the car is covered with layers of crud; some owners are reluctant to clean their discoveries. But preservationists are very clear on this point: dirt is corrosive, so it should be removed as soon as possible. Like fine art, cars should be clean.

In his book, Dr. Simeone discusses the concept of material truth, that the historical relevance of a preserved object derives from its actual physical materials. If you stand before the larger-than-life statue of David in the Galleria dell'Accademia in Florence, you know it was created by Michelangelo's hands and it may make you feel different than if you were viewing a replica.

In the same spirit, a good replica of a Shelby Cobra may perform better than the original, but Carroll Shelby didn't build it or bless it.

A program at Stanford University called Revs is analyzing the materials in classic cars and the effects of compounds ranging from sweat and skin oil to wax and acid rain. Founded by Miles Collier, a noted collector and preservationist, the multidiscipline Revs curriculum also explores the full spectrum of human interaction with the car. As expected, the Revs faculty has mechanical engineers, but it also includes archaeologists, lawyers, artists and human behaviorists. In one course, subjects are connected to sensors and monitored by cameras as they drive classic cars and futuristic new cars. In another, a classic car is literally restored during the semester using preservation techniques.

On average, automotive tastes are maturing, and without twisting anyone's arm or wallet, unmolested cars are becoming more important in the collecting world, especially those in the one-of-a-handful category. A good example is the Simeone Museum's Daytona Coupe -- a sleeker, enclosed version of the legendary Shelby Cobra. It was built in the 1960s for the high-speed straights of Le Mans, to topple the Europeans' domination of the 24-hour race (which it did). Only six Daytona Coupes were made, and years ago five of them were fully restored, erasing some of their unique history. The museum's Daytona Coupe is the only one still wearing its original paint, so it also serves as an invaluable reference vehicle.

While none of the 60-plus cars in the museum are for sale, the Bonhams auction includes vehicles ranging from a 1924 Ford Model T 5-Window Coupe, with a presale estimated price of only \$10,000 to \$15,000, to a 1973 Ferrari

365 GTB/4 in the \$340,000 to \$380,000 range. Also offered is a 1932 Aston Martin 1 1/2-liter Le Mans 2-4 Seater. Designed to be driven to a race, win and drive home, the Aston was once owned by the British film director Basil Dean. Another original car, a 1931 Isotta Fraschini Tipo 8A two-door faux cabriolet, with coachwork by Lancefield, recently emerged from storage in Connecticut after 37 years.

Bonhams's "Preserving the Automobile" auction will be Oct. 8 at the Simeone Foundation Automotive Museum, 6825 Norwitch Drive, Philadelphia, simeonemuseum.org. Automobilia goes on sale at 10 a.m. and cars at 2 p.m. Admission is by \$30 catalog, which admits two people to the museum and the auction. Vehicle information at bonhams.com.

Correction: October 14, 2012, Sunday

This article has been revised to reflect the following correction: An article last Sunday about the movement to preserve classic cars, rather than restore them, misstated the number of Shelby Daytona Coupes that were made. There were six, not five; only the one in the Simeone Automotive Museum remains unrestored.

PRESERVATIONIST: Dr. Frederick Simeone's museum prizes originality. (PHOTOGRAPH BY NORMAN MAYERSOHN/THE NEW YORK TIMES); TIME CAPSULE: A 1931 Isotta Fraschini Tipo 8A faux cabriolet, above and below, will be offered at a Bonhams auction featuring unrestored cars. (AU1); READY FOR ITS CLOSE-UP: The Bonhams auction will include this 1932 Aston Martin 1 1/2-liter Le Mans 2-4 Seater, right and below, once owned by the film director Basil Dean. (PHOTOGRAPHS BY BONHAMS); UNTOUCHED: One of just five, this Daytona Coupe, which is part of the Simeone Museum collection, is the only one that has not been restored. (PHOTOGRAPH BY SIMEONE FOUNDATION AUTOMOTIVE MUSEUM); PREMIUM: This all-original 1962 Mercedes-Benz SL roadster sold for \$951,000 last year. (PHOTOGRAPH BY SCOTT NIDERMAIER/GOODING & COMPANY) (AU2)

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The New York Times

Automobiles; SECTAU

Amphibious Car Is Still Waiting To Catch a Wave

By PAUL STENQUIST

514 words

14 October 2012

The New York Times

NYTF

Late Edition - Final

4

English

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IF all goes according to plan, the 2013 Quadski will be the first amphibious vehicle from the Gibbs companies to make it into the sales distribution chain. But it won't be the first introduced as ready-for-market.

In 2003 Gibbs launched the Aquada, an amphibious three-seat sports car. Aside from placing the driver in the center position, the Aquada looked like a normal roadgoing automobile and was said to be capable of speeds faster than 100 m.p.h. on pavement and 30 m.p.h. in the water.

Although it didn't meet United States environmental and safety standards, the Aquada did meet European requirements, according to Neil G. Jenkins, chairman of Gibbs.

The Aquada was, for the most part, well received. In Britain, the magazine Auto Express said it was "more fun to drive than a lot of saloons," using the British term for sedans. Time Magazine named it to a list of the best inventions of 2003. In 2004, Richard Branson crossed the English Channel in an Aquada, setting a record and generating media attention.

The Aquada was built around the V-6 engine of the Land Rover Freelander. But by the time Aquadas rolled off the assembly line, future availability of the Rover engines was in doubt. According to Mr. Jenkins, the company had made almost 50 vehicles when the decision was made to shut down.

Mr. Jenkins said the company still owned those vehicles but would not sell them because it could not provide proper customer support. He added that the Aquada program had not been canceled; it was on the back burner until a new engine supplier was chosen and United States regulatory hurdles could be cleared.

Those hurdles are significant. According to Mr. Jenkins, the company is no longer interested in a market plan that would not include North America, but to meet federal safety standards the Aquada must be equipped with air bags and sensor systems able to withstand a saltwater environment. Those are not off-the-shelf components.

That's not all: while a catalytic converter is necessary to meet emission requirements for land-based vehicles, the heat generated by that device could exceed Coast Guard standards. Other problems remain to be solved, but Mr. Jenkins said that federal agencies and the Coast Guard were working with the company to resolve them.

Since the Aquada project was shelved in 2004, its reincarnation was announced at least once. In 2007, according to news reports, Gibbs said that the Aquada would be introduced in 2009 and priced at \$85,000. Annual sales of 100,000 vehicles were projected.

In addition to Aquada and Quadski, Gibbs has developed two large vehicles for military and emergency first-responder use: the Humdinga and the Phibian. Mr. Jenkins said that both were ready for the marketplace and that the company was seeking a partner to produce them.

SCUTTLED: Production plans for the Aquada amphibious sports car were shelved in 2004. (PHOTOGRAPH BY GIBBS TECHNOLOGIES)

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The New York Times

Automobiles; SECTAU

Agency Warns Against Fake Air Bags

By JONATHAN SCHULTZ

308 words

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2

English

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AT a news conference Wednesday morning in Washington, the National Highway Traffic Safety Administration, a division of the Transportation Department, said it had learned that counterfeit air bags were being used as replacement parts in vehicles involved in crashes. The safety agency said it was not a pervasive problem, affecting less than 0.1 percent of the national fleet, but it identified a number of vehicles for which the counterfeit air bags were known to be available.

"While these air bags look nearly identical to certified, original equipment parts, including bearing the insignia and branding of major automakers, N.H.T.S.A. testing showed consistent malfunctioning ranging from nondeployment of the air bag to the expulsion of metal shrapnel during deployment," the agency said in a statement.

Though the agency said it was not aware of any injuries related to the counterfeit products, it urged consumers to take immediate action if they thought their cars might fit the risk criteria.

N.H.T.S.A. said that drivers who had an air bag replaced within the last three years at a shop other than a new-car dealership should call a hot line maintained by the vehicle's manufacturer to arrange an inspection. The inspection and any costs relating to an air bag replacement would be borne by the owner of the vehicle, the agency said.

It did not identify a source for the counterfeit products, but noted that immigration and customs agents, as well as border protection authorities, were tracking what the agency called "organized criminals."

Among the vehicles for which counterfeit air bags have been available were recent model years of popular cars like the Toyota Camry and Prius, Chevrolet Cruze, Honda Accord and Civic, Nissan Altima, Ford Focus and Volkswagen Jetta.

JONATHAN SCHULTZ

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The New York Times

Business/Financial Desk; SECTB

For Some, an Electric Motorcycle Could Be the Best of Both Worlds

By BRIAN X. CHEN

1,322 words

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1

English

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SAN FRANCISCO -- Zipping around on a motorcycle can be fun, but being in a downpour or an accident on one is not. Driving a car is safer and more comfortable, but traffic and parking can be annoying.

What if you got rid of the bad parts of both?

You might end up with something like the C-1, an electric motorcycle that looks as if it came out of the movie "Tron." For protection, the bike is encased in a metal shell, and it is controlled like a car, with a steering wheel and foot pedals. Two big gyroscopes under the floor are designed to keep it from tipping over, even when a car hits it from the side. The C-1's top speed is 120 miles an hour, and it can travel 200 miles on a full charge.

A small start-up called Lit Motors is developing the C-1 in a three-story warehouse here. Its 33-year-old chief executive, Daniel Kim, was tinkering with a biodiesel sport utility vehicle eight years ago when a 500-pound chassis nearly crushed him. The experience got him thinking about cutting out the bulk.

"Most people drive alone," Mr. Kim said in an interview. "Why not cut the car in half? I was really into bicycles at that time and I thought, Why can't we have the efficiency of a bicycle and motorcycle but all the amenities of a car?"

Fully electric vehicles have long been a dream among environmentalists and technologists, but companies have found it hard to deliver affordable and practical vehicles to the mass market. One of the biggest names in this field is Tesla Motors, which makes expensive sports cars and has had trouble increasing manufacturing.

But Lit Motors, which has just 10 people on staff, thinks it can bring the benefits of an electric vehicle even to those who aren't rich. Mr. Kim says his motorcycle will be money-saving, safe to drive and simple to build.

The main culprit in the high price of electric vehicles is the battery, said Dan Sperling, a professor of civil engineering and environmental science and policy at the University of California, Davis and director of its Institute of Transportation Studies. Unlike computer chips and digital storage, which have improved rapidly while dropping in price, battery technology has made slow progress, he said, so vehicle batteries are still bulky and pricey.

The other challenge, Dr. Sperling said, is that most people are not ready to embrace electric vehicles yet. Consumers could be nervous about the reliability and maintenance of such an expensive purchase -- buggy software, for example, could lead to more serious consequences than it would on something like a smartphone. That's why many auto companies have stuck to making hybrid vehicles, which use both gas and electricity and are more affordable, easier to produce and more familiar to drivers.

"It's not like when you buy an iPhone and you throw it out or don't use it as much when it gets old," Dr. Sperling said. "Unlike an iPhone or Windows system, it can't crash -- it has to perform with high reliability all the time."

Mr. Kim, who dropped out of Reed College and the University of California, Berkeley and later studied industrial design at the Rhode Island School of Design, has plans to overcome those obstacles. The motorcycle is lighter than a car so its batteries can be smaller and cheaper. And to improve reliability, the system is equipped with more components than it actually needs, Mr. Kim said.

The C-1's secret weapons are the gyroscopes that allow it to balance itself, similar to the approach used in the Segway scooter. In a video, the company shows the bike remaining upright as a car yanks it from the side. Only

one gyroscope is needed to maintain balance, but there are always two running; each gyroscope has redundant computer chips, controllers and sensors, so if any one of those fails, there are extras to back it up.

The bike is made up of 2,200 parts, or one-tenth the number in the average car, which should make it easier to mass-produce, Mr. Kim said. He plans to start manufacturing the motorcycle in the United States.

There are two main target markets for the vehicle, said Ryan James, chief marketing officer for Lit Motors: motorcyclists between 45 and 60 years old who are concerned about safety but don't want to give up their two-wheeler and younger commuters who live in urban or suburban areas where driving a car can be a bother or feel wasteful.

Still, Mr. Kim's start-up, which is on a hiring spree, faces some tough hurdles. So far it has raised just \$720,000 from early investors and another \$80,000 from family and friends. It will have to get people to buy a vehicle they haven't had a chance to drive or even see in real life -- and spend some serious money on it. Each motorcycle will cost \$24,000 for the first production run of 1,000 in 2014, Mr. Kim said, and he hopes to bring the price down to \$14,000 by around 2016, putting it in the range of a nice Ducati motorcycle or an entry-level car like a Honda Fit.

The company is already taking early orders and down payments on its Web site. About 250 people have signed up.

Mr. Kim said the company plans to team up with car dealerships in California, San Francisco and Los Angeles, in addition to selling the bikes online. And next summer, Mr. James will be driving an early version of the electric motorcycle to college campuses and conventions to show it to people and let them test-drive it. The company is also working on smartphone apps so C-1 owners can be part of their own social network.

Mr. Kim has his doubters. Kevin See, an analyst with Lux Research, which studies electric vehicles and alternative energy, said the motorcycle might appeal only to a small niche, and the initial price tag would be much higher than most people were willing to pay for a two-wheel vehicle. There are also plenty of more affordable vehicles on the market that perform well and already have a trusted brand, he said.

"It's very tough to roll out a vehicle of any kind with such a significant price premium versus an incumbent," he said. Mr. See said the C-1 reminded him of Aptera Motors, a start-up that tried to sell a futuristic car but went out of business in December. (Steve Fambro, a founder of Aptera, is listed as one of Lit's technical advisers.)

Dr. Sperling of the University of California said the biggest challenge for Mr. Kim would be finding buyers for the vehicle and then finding the means to deliver it.

"He's got some clever ideas, and it really comes down to questions that all these companies face, and that is can they find a market for the product, and can they actually do the manufacturing in an efficient and effective way?" Dr. Sperling said.

Still, he said he was optimistic about the company's chances.

"There are people who want to do something to save the world, make a contribution to it, do something both in terms of energy and climate," he said. "If it's cool and good for the world, you've got a winner."

A prototype of an electric motorcycle, which has a gyro stabilization system. (B1); A Lit engineer, Kevin Lomeli, beside the C-1 on a test drive. Lit's founder, Daniel Kim, showing the prototype, below. (PHOTOGRAPHS BY JIM WILSON/THE NEW YORK TIMES) (B7)

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The New York Times

BEHIND THE WHEEL | HYUNDAI VELOSTER AND VELOSTER TURBO

Automobiles; SECTAU

Relying on Glam Style In a Crowd of Athletes

By JONATHAN SCHULTZ

1,302 words

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1

English

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STANDING in his parents' driveway in Great Barrington, Mass., my girlfriend's cousin, 13, regarded the lustrous gray scarab that appeared before him one morning last summer. "What do you think?" I asked. With the dispassion of a Westminster Kennel Club judge, he walked from the creature's rear three-quarter aspect to its profile, then around the nose before returning to the three-quarter.

"It looks a lot faster than it probably is," he concluded.

Indeed, the Hyundai Veloster, which began sales in 2011, suggests a predacious Looney Toons castoff. But in the 130-mile drive from my block in Brooklyn to the Berkshires, taking in choppy outer-borough highways and wending two-lane state roads, the hatchback evoked not a bombastic cartoon, but the Tiburon. That coupe, produced by Hyundai in the 1990s and 2000s, had the lines of a kit-car Ferrari and the dynamism of an ox cart.

It is likely that Hyundai knew this about the Veloster. Introducing it at the 2011 Detroit auto show, John Krafcik, chief executive of Hyundai Motor America, said the car could be driven "at nine-tenths without losing your license." Downshifting to maintain 45 miles per hour up a rise in western Massachusetts, as traffic tightened behind me, I merely lost my patience.

What Mr. Krafcik withheld was that those nine-tenths would be difficult to wring from the car's 138-horsepower 1.6-liter 4-cylinder engine. So when Hyundai unveiled the 201-horsepower Veloster Turbo at the 2012 Detroit auto show, a reconciliation between the car's extroverted exterior and rather gutless on-road demeanor seemed plausible.

The packaging of the Turbo suggested as much. Aside from raising the engine's output by 46 percent, Hyundai treated the Veloster to cosmetic upgrades that, pleasingly, rendered the vehicle more carlike than cartoonish.

The Turbo I drove wore side skirts, LEDs beneath its headlights, deepened sculpturing around the fog lamps, 18-inch alloy wheels with polished chrome accents and chrome-tipped twin exhaust pipes recessed above a matte-finish diffuser. There was also a matte-gray paint job, a \$1,000 option over the car's \$22,725 base price.

Not long ago, such finery was the primary province of supercars. Three cheers for economies of scale.

The nonturbo car is offered with a 6-speed dual-clutch semiautomatic transmission, a \$1,250 option over its suggested starting price of \$18,225, but that gearbox is not available in the Turbo. It gets a conventional 6-speed automatic, a \$1,000 option, which is calibrated for more aggressive driving than the dual-clutch unit. The transmission fitted to both of my test models was the standard 6-speed manual. Derek Joyce, a Hyundai spokesman, said roughly 30 percent of Veloster buyers were opting for the stick shift, outstripping the industry average in the United States of about 7 percent, according to Edmunds.

The sixth gear of the manual unit acts essentially as an overdrive, reducing engine speed to preserve fuel economy on the highway. Beyond horsepower figures or paint jobs, that sixth gear also illuminates a fundamental difference between the two Velosters.

The nonturbo car labors to build speed for overtaking, which might dissuade a driver from probing the car's limits -- all the better to preserve its billboard-worthy highway fuel economy rating of 40 miles per gallon. On the 87

octane gasoline that carried us from Brooklyn to Great Barrington and on to southern Maine, the Veloster returned 37 m.p.g., remarkable considering the mix of roads and our abuse of the air-conditioner.

Under no circumstances, however, should a Turbo equipped with the stick shift be expected to replicate its highway fuel economy rating of 38 m.p.g. (though the around-town estimate of 26 m.p.g. is reasonable enough). For one, a driver regularly drops down a gear or two to muster passing power, causing the engine to spin more furiously and burn more fuel. For another, the Turbo in such moments feels most like a vehicle worth driving.

Peak torque of 195 pound-feet is produced in the Turbo from 1,750 r.p.m. to 4,500 r.p.m., but in the manner of competitors like the 201-horsepower Honda Civic Si and the 180-horsepower Scion tC, the car is most alive at the rowdy end of the tachometer. The base car builds speed adequately enough; Motor Trend observed a run from zero to 60 m.p.h. in 8.8 seconds. Though the Turbo accomplished the feat in a respectable if not blistering 6.9 seconds, it goads the driver to keep pushing, with much of its power band left to be exploited above 60 m.p.h.

The license loss to which Mr. Krafcik alluded in Detroit is infinitely more plausible in the Turbo.

Were the thrills more readily accessible, the Turbo would make a raucous alternative to the Civic Si, which is benchmarked by automakers and beloved by aftermarket tuners for its exploitable power band, poise and relative stealth. The Veloster buyer cares not for stealth, but it is fair to expect a small car like the Turbo, which can cost \$26,000 when fully optioned, to nail the fundamentals that cheaper cars like the tC and Kia Forte Koup manage without much fuss.

For example, fitted with all-season tires, both the Turbo and nonturbo did not carve New England curves so much as skitter around them, and the cars' noses tended to dive into corners.

Where the Veloster outpaces its competitors, offering glimpses of the Korean automaker that so spectacularly improved its products worldwide over the last five years, is in the cabin. Standard on both cars are a seven-inch multimedia screen, Bluetooth, audio controls on the tilt-telescoping steering wheel and nicely contrasting dash materials.

Stubbornly, however, Hyundai does not allow the \$2,000 Tech package, consisting of automatically adjusting headlights, backup warning sensors and special wheels, to be ordered independently of the \$2,000 Style package, with its panoramic glass roof and various interior and exterior enhancements. The Turbo includes many of those options, but you have to buy the \$2,500 Ultimate package to get the panoramic roof, navigation, rear camera and automatic headlights.

Had the Veloster reached showrooms two years ago, it might have been welcomed as a belligerent Ziggy Stardust sent to kick glitter in the eyes of the tC, Forte and, in the Turbo's case, the Civic Si and Volkswagen GTI. A 24-year-old might have regarded it as a PlayStation avatar rendered real. In 2012 came a bumper crop of excellent new sport compacts. Glam design cannot compensate for middling performance or value.

At the Turbo's end of the market, a 252-horsepower 2013 Ford Focus ST, priced from \$24,495, may be the most entertaining new front-drive car in America. The "front" qualifier is important, because within \$1,000 are respectably equipped versions of the rear-drive 2013 Scion FR-S and its stepsibling, the Subaru BRZ, and Hyundai's own Genesis 2.0T. These are carving tools that require higher-octane gas, have lower fuel-economy ratings and negligible rear seats, but could humble a Turbo with their chassis balance alone.

Irrespective of age or psychographics, consumers value a product that meets or exceeds their perception of it. By that standard, the Veloster is simply not as fast, frugal or fun as it looks.

INSIDE TRACK: A space oddity that fell from orbit.

SHARP: 2013 Veloster Turbo (AU1); BOOST: The Turbo, with 201 horses, has the quickness that the nonturbo model lacks. (PHOTOGRAPHS BY HYUNDAI MOTOR AMERICA) (AU6)

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The New York Times

TELEVISION REVIEW

The Arts/Cultural Desk; SECTC

Desperately Chasing Jobs in a Polarized Wisconsin Town

By MIKE HALE

651 words

8 October 2012

The New York Times

NYTF

Late Edition - Final

2

English

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In 2008, Brad Lichtenstein began filming a modest documentary about the effects of the recession, specifically the closing of a General Motors plant, on Janesville, Wis., a small Midwestern city. That's how he found himself, a few years later, with an up-close view of one of the meanest and most dramatic chapters in recent American politics: the battle over collective-bargaining rights for Wisconsin state employees and the subsequent effort to recall the Republican governor, Scott Walker, from office.

His film, "As Goes Janesville," which has its premiere on Monday night in the PBS documentary series "Independent Lens," remains modest. And it seems likely that the plight of former workers at the Janesville assembly plant receives less attention than Mr. Lichtenstein originally planned to give them. The trade-off is that the film has a narrative drive unusual for a 60-minute television documentary, pulling us along like a political thriller.

Mr. Lichtenstein tells a complicated story with an interlocking cast of characters. Representing the original thrust of the documentary are two former Janesville autoworkers. One leaves her family during the week to work at another General Motors plant four hours away; the other goes back to school to become a lab technician, a job that will pay 80 percent of what she used to make.

Two local businesswomen, meanwhile, spearhead a marketing campaign to make the Janesville area attractive to businesses. They zero in on a medical-supplies company looking for a place to build a factory that may employ 120 people if the company can come up with a product to produce there. Despite the uncertainties of the project, the city is asked to chip in \$9 million in incentives, representing, according to one City Council member, 20 percent of the municipal budget.

No one says so on screen, but the energy and political capital expended on those 120 potential jobs are a sign of how desperate things are in Janesville and surrounding Rock County, where the closing of the auto plant is estimated to have cost 11,000 jobs. (The film makes no reference to Representative Paul D. Ryan, the Republican candidate for vice president, who was born and reared in Janesville and still lives there with his family.)

The supporters of the medical-supplies project are also fervent supporters of Mr. Walker's campaign for governor in 2010, and he repays them, speaking at Janesville's annual business banquet. Mr. Lichtenstein catches one of the businesswomen asking him, "Any chance we'll ever get to be a completely red," right-to-work state? The first step, he tells her, is to take on the public-employee unions over collective bargaining. "Divide and conquer," he says.

From there the film becomes immersed in the statewide battles and its true hero emerges, a Rock County Democratic politician named Tim Cullen, who leaves retirement to run again for the State Senate and to try to work constructively with the new Republican majority. Mr. Cullen projects the decency and civic-mindedness of the Frank Capra-era Jimmy Stewart, even when we see him in Illinois, where he's fled along with other Democratic senators in an unsuccessful attempt to stop the governor's budget bill.

Sitting in the Legislature, where Democratic amendments are routinely ignored, Mr. Cullen says, "I'm learning that it's a different Wisconsin." This comes home for the viewer, though, in a later scene where Mr. Cullen asks a

hectoring crowd to show the governor some respect and is called "despicable" by a protester for his trouble. At which point you might think, as goes Wisconsin ...

Independent Lens

As Goes Janesville

On PBS stations on Monday night (check local listings).

Produced by 371 Productions, Kartemquin Films and the Independent Television Service. Directed and produced by Brad Lichtenstein.

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The New York Times

COLLECTING

Automobiles; SECTAU

A High-Style Buick At a Reasonable Price

By JIM KOSCS

603 words

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Late Edition - Final

8

English

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THE 1963 Buick Riviera made its debut on Oct. 4, 1962, with a price of \$4,333. Adjusting for inflation, that would be about \$33,000 in 2012 dollars, near the high end of what a collector might pay for one today.

Most Rivas, which Buick built in eight generations through 1999, sell for much less, according to data from the Black Book CPI Value Guide, which monitors prices in the collector market.

Eric Lawrence, editor of the Value Guide, called the first Riviera a "bridge car," blending luxury touches from upscale American coupes of the late 1950s with performance characteristics of 1960s muscle cars. Buick made 112,000 of the first-generation 1963-65 Riviera before changing the design for 1966.

Donnie Gould, president of RM Auctions America, said the first-generation cars were "unique, with an almost 'semicustom' design from the factory."

Auction prices quoted by Mr. Gould fall in line with value estimates from the Value Guide. "A properly restored 1963-65 Riviera can bring \$30,000 to \$40,000," Mr. Gould said. "At the same time, the average enthusiast can still afford a good driver for \$10,000 to \$15,000 and have the same car, the same design, as the more expensive collector versions."

Prized among enthusiasts are cars equipped with the performance-oriented Gran Sport option package, introduced for 1965 and offered with varying specifications through the 1975 model year. Gran Sports command a premium.

Among the aficionados is Nicola Bulgari of the luxury watch and jewelry company that bears his family's name. He has seven Rivas in his collection of vintage American cars, including two 1963 models (one kept in Rome and one in Pennsylvania), two 1970 versions and one each from '72, '93 and '99. His 1999 car is a Silver Arrow special edition, one of 200 made to close out the production run. Mr. Bulgari secured No. 199 of the series, and he calls it his second-favorite Riviera, after the '63 model.

Speaking by telephone from his office in Rome, Mr. Bulgari praised the 1963 Riviera for what he calls its ideal balance of aesthetics, engineering, drivability and elegance. "It is one of the best postwar U.S. car designs," he said. "It looks like something you want to drive forever."

Affirming that he drives his Rivas, Mr. Bulgari said, "When I do, I do with gusto, with pleasure."

The third-generation (1971-73) Riviera, called the "boat tail" for its huge, tapered, wraparound rear window and protruding trunk, holds similar collector appeal to the second-generation cars of 1966-70, Mr. Gould said. That is in contrast with other American collectible cars, like the Chevrolet Corvette and Ford Mustang, whose later models often trail the earlier ones in value.

Somewhat controversial when new, the car's styling still stirs debate more than 40 years later. "It's dramatic, perhaps too dramatic," Mr. Bulgari said of his '72. "But it is very nice to drive."

The boat tails follow the first-generation models in popularity among the 3,000 members of the Riviera Owners Association, according to the club's founder, Ray Knott. He added that the final-series cars of 1995-99 had become more common at meets, attributing the trend to the cars' modern comforts and improved fuel economy.

David Eldridge no doubt found those qualities welcome when he drove his rare 1999 Silver Arrow to a club event in Monterey, Calif., in June. He traveled 5,137 miles from his home in Barrington, Nova Scotia.

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The New York Times

Business/Financial Desk; SECTB
Auto Sales Are Highest In 4 Years

By BILL VLASIC
1,089 words
3 October 2012
The New York Times
NYTF
Late Edition - Final
1

English

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CORRECTION APPENDEDDETROIT -- Unemployment is still high and the so-called fiscal cliff is looming, but those worries didn't slow down the nation's car and truck buyers in September.

Autos flew off the lot at the highest sales rate in four years, adjusted for seasonal variations, according to the research firm Autodata.

Over all, a total of 1.19 million cars, trucks and S.U.V.'s were sold in the United States during the month -- a 13 percent increase from a year ago.

Japanese and German manufacturers led the sales boom, offsetting weaker results at General Motors and Ford.

The monthly sales rate equaled about 14.9 million vehicles on an annualized basis, and it was the highest seasonally adjusted rate since February 2008, according to Autodata.

Analysts said the robust pace was fed by consumers replacing older vehicles, the wide variety of new fuel-efficient models on the market and the greater availability of credit at low interest rates.

"The industry is continuing its comeback the old-fashioned way: with new products, better inventory management and historically cheap loans," said Jesse Toprak, an analyst with the auto research Web site TrueCar.com.

Overall industry sales are up 14.5 percent through the first nine months of the year, compared with the same period in 2011.

Many of the gains in September came at Toyota and Honda, the two big Japanese manufacturers that suffered major product shortages after last year's earthquake and tsunami in Japan.

"We all underestimated the strength of the Toyota and Honda brands and their customer loyalty," Mr. Toprak said. "They have not only gained back their market share, but increased it."

Toyota said that it sold 171,000 vehicles during the month, a 41.5 percent increase from a year ago. The company reported that sales of its Prius gas-electric hybrid cars more than doubled from last year.

Honda reported that its sales grew 30.9 percent, to 117,000 vehicles. The company benefited from high demand for its two best-selling passenger cars, the Civic and the Accord. Honda began selling a new version of the Accord in the middle of the month.

The performance of Toyota and Honda contrasted with essentially flat sales at both G.M. and Ford, partly because of tepid sales of pickup trucks.

G.M. said Tuesday that its overall sales grew by 1.5 percent during September, which the company said were its best results for the month since 2008. G.M. said it sold 210,245 vehicles; passenger cars led the way with a 29 percent gain.

But sales of the company's pickup trucks, which are big profit producers, dropped by 20 percent during September. G.M. attributed the decrease partly to a reduction in sales to rental fleets.

A G.M. executive said the automaker was trying to keep truck inventories low as it continued to focus on introducing new cars like the Chevrolet Spark.

"Passenger cars have been the launch point for a broad and deep G.M. product offensive," said Kurt McNeil, vice president for United States sales.

Ford said its total sales for September were down 0.2 percent from a year ago. Truck sales dropped 7.6 percent, wiping out gains made by new cars and S.U.V.'s like the Ford Focus and the Escape.

Ford said it sold 174,000 vehicles during the month, reporting its best results in small cars, sales of which increased by 73 percent.

"Fuel economy remains one of the most important features customers want today," said Ken Czubay, Ford's head of United States marketing, sales and service.

Sales of the company's top seller, the F-series pickup, grew by just 1.2 percent during September, and sales of its Lincoln luxury brand fell 3.1 percent.

One industry analyst said stock investors were betting that an uptick in housing starts would eventually fuel an increase in pickup sales.

"The most popular theme in auto land appears to be to buy companies with pickup exposure," Brian Johnson of Barclays wrote in a research report on Tuesday.

While G.M. and Ford struggled somewhat, Chrysler continued its steady comeback from very weak sales after its government bailout and bankruptcy in 2009.

Chrysler said its September sales increased 11.5 percent from the year-ago period, its 30th consecutive month of year-over-year sales gains. The company said it sold 142,000 vehicles, and each of its brands had gains, led by an 18 percent increase at Dodge.

The company benefited from the introduction of its Dodge Dart compact sedan, the first high-mileage small car Chrysler has produced since it was acquired by the Italian automaker Fiat. It also outperformed its Detroit rivals in pickups with a 4 percent increase in sales of Ram pickups.

Chrysler's top American sales executive, Reid Bigland, said the industry's recovery appeared to be gaining steam in the latter part of the year.

"Going forward with our current product lineup, record low interest rates and a stable U.S. economy, we remain optimistic about the health of the U.S. new-vehicle sales industry and our position in it," Mr. Bigland said.

Other carmakers reported mixed results during the month. Nissan said it sold 91,000 vehicles, a 1.1 percent decline from a year ago. Like G.M. and Ford, it was hurt by the resurgence at Toyota and Honda.

One of the hottest manufacturers during the month continued to be Volkswagen. The German carmaker, which is already expanding its new assembly plant in Tennessee, said it sold 48,000 Volkswagen and Audi brand vehicles in September, a 32.4 percent increase from a year ago.

Correction: October 5, 2012, Friday

This article has been revised to reflect the following correction: An article on Wednesday about vehicle sales for September misidentified a Ford model whose sales gained that month. It was the Focus, not the Fusion. (While the Fusion has been Ford's best-selling car this year, its sales were down in September because of limited availability of the newest version.)

Toyota Prius; Chevrolet Silverado; A salesman, above, shows a Jeep Compass to a customer in Hollywood, Fla. Sergio Marchionne, below right, head of Chrysler, which is owned by Fiat, spoke with the Fiat chairman, John Elkann, at the Paris Motor Show last month. (PHOTOGRAPHS BY JOE RAEDLE/GETTY IMAGES; ANTOINE ANTONIOL/GETTY IMAGES) (B2)

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The New York Times

Business/Financial Desk; SECTB

G.M. Executive Affirms Commitment to Opel

By BILL VLASIC; Jack Ewing contributed reporting from Frankfurt.

964 words

20 September 2012

The New York Times

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Late Edition - Final

3

English

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DETROIT -- General Motors wants no doubts about its plans for Opel, its long-troubled European unit: It intends to fix the division, not sell it or close it.

Stephen J. Girsky, G.M.'s vice chairman and interim chief executive of Opel, laid out a new product strategy to dealers at a meeting in Germany on Wednesday, outlining plans to introduce 23 new vehicles in the European market over the next four years.

He also reaffirmed G.M.'s determination to turn around its European business despite losing \$16 billion in the region over the last dozen years.

"We are making a commitment to Opel and a commitment to Europe," Mr. Girsky said in a phone interview after the meeting. "But I don't want to leave anyone with the impression that we will be satisfied continuing to lose the amount of money we are losing."

Like many European automakers, Opel is struggling with overcapacity in its factories at a time when car sales have tumbled to their lowest point in 15 years. European auto sales fell 9 percent in August, the 11th consecutive monthly decline in the region. G.M.'s sales dropped 18 percent during the month.

While G.M. has trimmed work schedules in its European plants and announced plans to shut down one German factory by 2016, industry analysts contend that broader cuts are needed to make the unit profitable.

One prominent analyst, Adam Jonas of Morgan Stanley, recently urged G.M. to sell or close Opel before its failures dragged down the rest of G.M., the largest American automaker.

Mr. Girsky declined to say whether further plant closures were being considered, but said Opel was preparing to make "significant" reductions in its salaried work force. "We think there is opportunity to take significant people out of the administrative functions," he said. "And we're taking out as many chiefs as Indians."

G.M. employs about 40,000 people in Europe, with half of those in Germany. About one-third of the work force is salaried personnel, and the rest are hourly employees.

Unions across Europe have resisted closing auto factories at beleaguered carmakers like G.M., the Ford Motor Company, Fiat and PSA Peugeot Citroën.

Mr. Girsky said G.M. was grappling with how to better use its factories in Europe, possibly by adding products like Chevrolet vehicles to its production lines. "There are opportunities to increase production," he said. "We are exploring a non-Opel branded product coming into traditional G.M. facilities in Europe."

But one German auto analyst said that G.M. could not fix Opel without sizable reductions in plant capacity and hourly employees.

"The next step must be that G.M. finally looks the union in the eye and says, 'This is what's going to happen in the future,'" said Ferdinand Dudenhofer, a professor at the University of Duisburg-Essen who follows the German car industry.

Mr. Girsky said talks with union leaders were continuing, and he compared the discussions to how G.M. shared its internal financial problems with the United Automobile Workers to gain concessions on health care and wages in the United States.

"We are doing the same thing with the union here that we did in the U.S., which is transparency," he said. "The facts are not good, but you need to know them."

G.M. ousted Opel's chief this summer, and Mr. Girsky took over as the division's interim chief executive. Since then, the company has further cleaned house at Opel by replacing its chief financial officer and several other senior executives.

Mr. Girsky said he was recruiting a permanent chief executive for the unit from outside the company, and hopes to hire someone by the end of this year.

Until then, Mr. Girsky is pushing Opel officials to tighten controls on expenses. He has demanded reductions in costly inventories of unsold vehicles. And he has required that any purchase order of more than 20,000 euros (\$26,142) be submitted to him for approval.

He said the biggest challenge that Opel faced was changing an entrenched attitude about losing money on operations.

"We're trying to change the culture here," he said. "And it's making some people uncomfortable because you're putting restraints on an organization that didn't use to have restraints."

Like Ford, its leading American rival, G.M. is also trying to bolster its product lineup in Europe. Ford recently announced several new or refreshed models for the European market, and G.M. did the same on Wednesday.

In a meeting with about 250 of its largest European dealers, Mr. Girsky showed off 23 new vehicles and 13 new engine configurations that will be introduced by 2016.

Among the new products shown were the Adam subcompact and the Mokka utility vehicle, which will allow Opel to compete in market niches where it does not now.

Mr. Girsky declined to put a price tag on the overall product program, but he said it underscored G.M.'s commitment to the region. "Europe is 25 percent of global sales," he said. "That is why it is important to us."

One large Opel dealer said the new products were essential to dealers struggling to stay in business. "That they are investing so much in new products, I consider a good sign," said Thomas Bieling, chairman of the Opel and Chevrolet dealers' association in Germany. "It's also a positive sign that they are talking about restructuring measures that should have been done years ago."

An Opel plant in Kaiserslautern, Germany. The automaker is struggling with overcapacity. (PHOTOGRAPH BY RALPH ORLOWSKI/GETTY IMAGES)

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The New York Times

Business/Financial Desk; SECTB

Chief Steps Down at a Company Serving Electric Cars

By BRADLEY BERMAN and ZACH McDONALD

573 words

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Late Edition - Final

2

English

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Better Place, an electric vehicle infrastructure company, said on Tuesday that it had replaced Shai Agassi, its charismatic chief executive and founder, with Evan Thornley, the company's top executive in Australia.

Mr. Agassi founded the company five years ago with the ambitious goal of replacing the world's gas pumps with battery-swapping stations for electric cars. But despite vast publicity, the idea has gained little traction so far.

The announcement of Mr. Agassi's departure fed speculation that the company's widening losses were the cause. According to the Israeli newspaper Haaretz, the company has posted \$477 million in cumulative losses since the beginning of 2010. The paper reported that Better Place has \$181 million in cash reserves, which at the current rate of spending would last four and a half quarters.

Joe Paluska, a spokesman for Better Place, declined to comment on the reason for Mr. Agassi's departure. Mr. Agassi will stay on as a board member and remains a major shareholder in the enterprise.

Mr. Agassi amassed more than \$800 million in private capital since the company's founding. He used lofty rhetoric about the need to rid the world of its addiction to oil to persuade investors and powerful leaders to back his plan.

But the business feasibility of the battery-swapping network has always been uncertain.

"Battery swapping is applicable to certain markets where you have higher fuel cost and smaller geographic profiles, like Israel and Denmark," said John Gartner, research director at Pike Research, a clean-technology research firm. "But it's not a model that's going to work in a lot of places or give the company the ability to scale the technology in the same way that the company's been investing money and receiving capital to this point."

In a September 2011 interview, Mr. Agassi said that the global electric car market, and Better Place's network, would take time to grow. "The first flight after the Wright brothers took off in the air, for about 10 feet, wasn't to the moon," he said. "What you do is slowly move up, gradually."

Mr. Paluska said the company was operating 24 battery swapping stations in Israel, and 12 in Denmark. He said these locations give more than 750 customers the ability to drive across those tiny countries. The process of swapping a depleted battery with a fully charged one takes about five minutes.

Better Place subscribers buy their cars, but not the expensive battery packs that provide power to the vehicles. For a fixed fee of about \$350 a month, customers lease access to the batteries, swap stations and charge points.

To reach scale, Better Place needs car companies to build battery-swapping capability into their vehicles. To date, only the French automaker Renault has signed on, adapting its Fluence Z.E. sedan to enable battery switching.

Mr. Thornley, the new chief executive of Better Place, is a former Australian legislator who founded the Internet advertising company LookSmart in 1995. In 2008, he left government and soon after joined Better Place, where for the last three years has overseen the company's efforts in Australia.

Shai Agassi will remain on the board of Better Place, which he founded five years ago in Israel. (PHOTOGRAPH BY JACK GUEZ/AGENCE FRANCE-PRESSE -- GETTY IMAGES)

The New York Times

Business/Financial Desk; SECTB
European Automakers Face a Stunted Future

By JACK EWING
1,139 words
28 September 2012
The New York Times
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3
English

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PARIS -- The optimistic view at the Paris Motor Show on Thursday was that auto sales were so bad that they could not possibly get any worse.

But even if there is a slight recovery in 2013, as some predict, it is dawning on industry executives that it could be years before sales return to the levels of 2007, when they peaked just before the financial crisis.

New passenger car registrations in the European Union have declined every year since then and are down 7 percent this year so far this year. The inescapable conclusion, some executives say, is that the industry is not going through a downturn but is changing permanently, and car companies must adapt more quickly.

"In the near future, it will be impossible to come back to the numbers of the early 2000s," Luca Cordero di Montezemolo, the chairman of Ferrari and a member of the board of the Italian carmaker Fiat, said in an interview Thursday. "Every single carmaker will have to take care of this."

The new-model introductions in Paris reflected the state of the market. They seemed to be aimed either at rich people who still have money or at the masses trying to make do on less and less at the middle of the market. At the high end, Jaguar is offering its first two-seat sports car since the 1970s, the all-aluminum F Series, which will go on sale in the United States and the rest of the world next summer, starting at about \$70,000.

Toward the low end was Renault's new Clio and the Adam from the Opel unit of General Motors, both attempts to offer a measure of style on a budget.

But even if those new models turn out to be hits, auto companies must still radically cut costs -- a process that has only begun. Sergio Marchionne, the chief executive of both Fiat and Chrysler, said that factories in Italy were operating at 50 percent capacity, well below the level analysts say is needed to be profitable.

Mr. Marchionne, trying to counter the image of auto executives as heartless job cutters, said he laid awake at night worrying about Fiat employees whose jobs are in danger.

"We all understand that a lot of livelihoods depend on the decisions we make," he said at a news conference.

Mr. Marchionne repeated calls for European Union leaders to negotiate cuts in manufacturing to spread the pain throughout the region, as they did for the steel industry in the 1990s. Mr. Marchionne said political leaders were in favor of closing plants only outside their own countries.

"This is something that has festered for a number of years," Mr. Marchionne said. "If this issue had been handled in a coordinated way long before, it would be a lot less of a problem than it is now."

Among auto executives there is increasingly open frustration at political leaders who they think have dithered in finding a solution to the euro zone debt crisis, while at the same time obstructing attempts by manufacturers to cut costs.

"We have to deal with overcapacity; politicians need to understand this," said Wolfgang G. Schneider, vice president for governmental, environmental and legal affairs at Ford of Europe.

At the same time, leaders must do more to restore confidence in stricken countries, Mr. Schneider said. Ford is selling fewer cars in Spain than it is in Turkey because Spanish consumers are fearful of the future and unwilling to make large purchases.

"Things are going in the right direction, but not fast enough," he said of measures to stabilize the euro zone.

Among the mass market carmakers, Volkswagen remains an exception. "Despite all the headwinds, we are sticking to our ambitious goals for 2012," Martin Winterkorn, the chief executive, said at a company event Wednesday evening.

Volkswagen, the largest automaker in Europe by far, has benefited from its strength in Germany, which has escaped the worst of the crisis, as well as its strong presence in fast-growing emerging markets like China and Brazil.

Still, the company seemed at pains not to show any satisfaction at the woes of its competitors. There was some of the usual over-the-top spectacle at the event Wednesday evening, like dancers twirling in vinyl ballet dresses, their faces covered by plastic visors. VW showed a design for a new version of the Panamera, made by its Porsche unit, that is a kind of high-performance luxury station wagon.

In addition, Volkswagen introduced the latest version of its best-selling Golf, an exception to the trend of cars aimed at the high or low ends.

But Volkswagen also devoted significant time to its efforts to promote youth employment in troubled European countries, bringing two young trainees from Spain and Portugal on stage to speak about how happy they were to have jobs at Volkswagen.

"We're doing everything we can to ensure that Europe has a future as a place to manufacture," Mr. Winterkorn said.

Despite the dismal outlook for Europe, auto executives said they remained optimistic about the car industry globally. Sales continue to rise in countries like Brazil and Russia, offsetting Europe to some extent. The companies suffering the most are Opel and PSA Peugeot Citröen, because they remain heavily dependent on Europe.

"When you look at the sector on a worldwide basis, it's not decreasing," said Jérôme Stoll, executive vice president for sales and marketing at Renault. Still, foreign markets are not yet doing enough to compensate for slowness in Europe, which will not recover before the end of the decade, he said.

Renault does not plan to close any plants in France, Mr. Stoll said, but he pleaded for legislation that would make it easier to adjust capacity -- for example, by transferring workers to other plants. "We need to be as flexible as possible," he said.

Even Ferrari has felt the crisis, though its overall sales have continued to rise. Sales in Italy have plunged, in part because buyers may fear that driving an expensive sports car makes them a target for tax inspectors.

Ferrari has continued to do well globally because of investments it began making years ago to expand its lineup and sell to newly wealthy buyers in Asia, Mr. Montezemolo said. China has become Ferrari's third-largest market, behind Germany and the United States.

"Thanks to innovation, new products and worldwide presence," he said, "thank God we are not suffering."

Sergio Marchionne, left, Fiat's chief, with John Elkann, Fiat's chairman, at the show Thursday. (PHOTOGRAPH BY CORENTIN FOHLEN FOR THE INTERNATIONAL HERALD TRIBUNE); Utility and luxury, with an Opel Adam, left, and a Jaguar F-Type at the Paris Motor Show. (PHOTOGRAPHS BY JASON ALDEN/BLOOMBERG NEWS)

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The New York Times

Business/Financial Desk; SECTB
Autoworkers Reach Deal With Chrysler

By IAN AUSTEN
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OTTAWA -- Completing its negotiations with the three Detroit automakers, the Canadian Auto Workers Union said on Wednesday night that it had a tentative agreement with Chrysler Canada.

Chrysler appeared to have been the most difficult of the automakers during the negotiations which began at all three companies in mid-August. During the talks, Sergio Marchionne, Chrysler's chief executive, suggested to The Globe and Mail of Toronto that the company would not follow industry tradition and accept the same general contract terms as the Canadian units of Ford and General Motors.

The union, however, made it clear that any agreement hinged on maintaining that process, which is known as pattern bargaining.

Ultimately Chrysler yielded, although unlike its two competitors, it did not offer specific promises of additional jobs or investment in Canada where it has about 8,000 unionized employees.

At a news conference, Ken Lewenza, the union's president, indicated that the talks dragged on over how Chrysler would dole out several bonus payments that replace wage rate increases in the four-year agreement. He said that Chrysler wanted to stagger out payment of a \$3,000 contract signing bonus. The company also balked at providing \$2,000 annual bonuses in place of cost-of-living wage rate increases.

Following a bargaining session that lasted until 5 a.m. on Wednesday, the company agreed to the same payment terms as its competitors.

"The culture of pattern bargaining got us through this," Mr. Lewenza said.

Chrysler confirmed the agreement in a brief statement, adding: "We extend our appreciation to our Canadian work force for their patience during this pivotal round of collective bargaining."

Because Chrysler has just 70 workers currently laid off in Canada, it is much better positioned to benefit from the wage terms for new employees in the agreement. General Motors and Ford will have to recall hundreds of laid off union members before hiring any new workers, a process that may extend beyond the contract period.

Chrysler will now be able to pay new workers 60 percent of established workers' wages for 10 years. The previous agreement with the Canadian union gave newly hired workers 70 percent of full pay and moved them up to the higher rate after just six years.

The union, however, was able to resist demands, particularly from Mr. Marchionne, that it make lower wages permanent for new employees, which is the arrangement the three Detroit automakers have at their plants in the United States with the United Auto Workers.

Mr. Lewenza said that Mr. Marchionne did not participate directly in the negotiations.

Chrysler produces all of its minivans in Windsor, Ontario, as well as the Volkswagen Routan and vans for export to Europe. A second assembly plant just outside of Toronto in Brampton, Ontario, builds all of Chrysler's rear-wheel drive cars, including the Chrysler 300.

Although Chrysler did not promise to add any new workers to those plants, it did agree to continue with three shifts in Windsor and two shifts in Brampton for the next four years.

"You cannot bargain airtight job security," Mr. Lewenza said.

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WHEELS

Automobiles; SECTAU

The Blog: Where the New iPhone Loses Its Way

By JOHN R. QUAIN

735 words

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In the battle between Google's Android smartphone and the Apple iPhone, free navigation is one of the most fiercely contested fronts. At least one area where Apple might have created a decisive advantage over Google has gone begging, however, in the latest generation of the iPhone, unveiled last week.

Apple's turn-by-turn navigation suffers from a flaw common to Android-based phones, in that when the cellular connection is lost, the route's instructions are lost as well.

To avoid this problem, dedicated apps like Scout Plus from TeleNav, at \$9.99 for one year of service, download and store maps directly on the phone, so turn-by-turn instructions work with or without reliable cellular reception. On Monday, TeleNav announced a version, at \$24.99 for one year, called Car Connect, that would allow drivers of Ford vehicles subscribed to the Sync service to connect their phones to the dash, where the maps could be displayed on the car's larger screen. Subscribers would also be able to use hands-free voice commands and hear directions through the car's audio system. In essence, the system frees the driver from looking down at the handset or fiddling with awkward cradles.

It is a significant development in an industry in which automakers have zealously guarded that in-dash real estate. The TeleNav approach means the navigation software can be downloaded once and used wherever a Sync-subscribed Ford may travel.

A company trying to revive its fortunes against Apple and Google is Nokia, a fading force in mobile phones that has hitched its star to the Windows operating system from Microsoft. The Nokia Windows Phone 8 handsets are not yet available for purchase, but judging from demonstrations for the news media, one feature in particular should appeal to drivers. The handsets have built-in free maps and navigation based on the company's Navteq maps. And like the TeleNav approach, the maps live on the phone, not in the cloud, so the feature is impervious to the failings of weak or nonexistent signals.

Neither of these alternatives may ultimately dissuade die-hard Apple fans eager to get the iPhone 5. For their fealty, Apple has added a few wrinkles to its existing navigation software, including 3-D views of some metropolitan areas and a social networking feature. The company licensed maps from TomTom, a traffic-reporting service, and the social component from Waze, a developer of a traffic-reporting app.

The standalone Waze app, featured in Wheels, reflects the position and speed of other users on roads near you, delivering live traffic information and alerts about accidents and police speed traps. How this information is integrated on the final version of the new Apple software is unclear because the iPhone 5 is not scheduled to be available at Apple retail stores until Friday.

Drivers who connect their iPhones to their cars, and who plan to upgrade to iPhone 5, are faced with a hardware purchase to make the connection. The plug, which has not changed since 2003, has been shrunk, and the new version is expected to require the purchase of a \$29 adapter to work with speakers and docks that used the old plug.

The plug's evolution will also change how graphics, and therefore display information, are transmitted to connected displays, a byproduct of the so-called Lightning connector. That means that even with the adapter, the

iPhone 5 would not fully cooperate with in-dash systems that are compatible with existing iPhones. Consequently, no iTunes graphics or video from the iPhone 5 would display on the car's in-dash screen.

While it would be tempting to fault Apple for going it alone, throughout the industry there is a lack of coordinated thinking on standards for the interaction of smartphones with in-car telematics. Ideally, drivers would be able to use one common connection to link their smartphones to their cars and operate compatible apps, like navigation, on the cars' displays. But that day is not approaching any time soon.

"We've got a fragmented market, and there's no single standard yet," Niall Berkery, senior director of business development at TeleNav Automotive, said in an interview.

This is a more complete version of the story than the one that appeared in print.

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WHEELS

Automobiles; SECTAU

The Blog: Dealers Peer Into Chrysler Pipeline

By PAUL STENQUIST

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Although Chrysler Group has made significant strides toward rehabilitating its finances since emerging from bankruptcy in 2009, the company has avoided the complacency that plagued it in previous times of growth. Sergio Marchionne, the chief executive of Chrysler and Fiat, introduced 66 car and truck models to the company's dealers at a meeting in Las Vegas on Monday.

According to a report by Reuters, among the new models shown was a Chrysler 100 subcompact that would give the brand an entry in that growing segment; a redesigned Chrysler 200 said to resemble the well-received Dodge Dart; various Jeep models that mimic the styling of the brand's successful Grand Cherokee; and a couple of Alfa Romeos that would be sold by Fiat dealers in the United States.

"We are less than two years away from having an almost completely rejuvenated product lineup compared to what we could offer customers when we began this journey in June 2009," Mr. Marchionne said in a video of his presentation to dealers.

Bill Golling, president of Golling Chrysler Dodge Jeep Ram and Golling Fiat, both in Bloomfield Hills, Mich., was in attendance. "We went out to the meeting with great interest and weren't disappointed," Mr. Golling said in a telephone interview. "I'm almost overwhelmed on how exciting it is for the future. What they're showing us now is very rewarding."

Asked if he thought a market existed for a subcompact Chrysler sedan, Mr. Golling said he could not comment on specific products, but added that in light of coming Corporate Average Fuel Economy standards requiring average fleetwide fuel economy of 54 miles per gallon by 2025, Chrysler dealers "would have a different portfolio of products going forward."

"I take a look at the things they're doing, and they're right on track," he said.

To illustrate his optimism, Mr. Golling cited a 9-speed automatic transmission under development for Chrysler's front-drive vehicles.

The automaker's market share in the United States has been increasing steadily since Mr. Marchionne took the helm in 2009. At the end of 2009, the automaker held 8.9 percent of the market. Its share currently stands at 11.1 percent.

"We cannot stop now," Mr. Marchionne said in his address. "We cannot afford to rest."

This is a more complete version of the story than the one that appeared in print.

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The New York Times

HANDLEBARS

Automobiles; SECTAU

The Beginner's Ninja Raises the Ante at the Entry Level

By DANIEL McDERMON

477 words

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English

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FOR years, the most thrilling new motorcycles have been those at the top of the model line: the racetrack replicas splashed with a Valentino Rossi livery or the high-stepping machines with the go-anywhere styling of a Dakar rally competitor.

Beginning riders, and those who simply preferred smaller machines for their easy handling, had to settle for older designs and then wait for innovative technology to trickle down from the upper end of the market. At the lowest price point, excitement was an option, when it was available at all.

The lone bright spot among sportbikes in those dark days was the Kawasaki Ninja 250R, which has supplied inexpensive thrills to novices since 1986. A sign that Kawasaki's dominance was in peril appeared with the arrival of the 2011 Honda CBR250R, offering everything the Ninja did and upending the old order.

Now the Kawasaki engineers have responded to Honda's challenge in exactly the way you'd wish: by elevating the game with the 2013 Ninja 300. At a press introduction last week in Manhattan, followed by a public promotion called the Ninja Times Square Takeover, the company rolled out the new model.

The Ninja's durable parallel-twin engine has been overhauled, giving it a longer stroke good for the increase in displacement to 296 cc. Digital fuel injection with dual 32-millimeter throttle bodies feed the much-revised engine.

And the bike's new frame, the company says, includes "high-tensile steel main tubes that are 150 percent more rigid." Antilock brakes are available on the Special Edition model at \$5,819, including destination charges.

Riders ready to step up to the middleweight class can get the new Ninja ZX-6R, which is priced at \$12,019. Like the 300, the ZX-6R is a heavily upgraded version of the current model. The engine adds 37 cc in displacement, which the company says is good for extra oomph throughout the powerband. Keeping that power in check is Kawasaki's traction-control system with three power modes. Antilock brakes are an option for \$1,000.

It's only fair that the big brother in the family, the ZX-14R, gets just minor upgrades; that model was almost entirely new last year. For 2013, antilock brakes will be available for an extra \$1,000 over the \$15,319 base price.

But this is a year for celebrating the small fry. And in this straitened era, that's not a bad thing. To keep up, the other manufacturers can only respond with newer and better bikes of their own. Could this be the start of a pocket-rocket arms race? We can only hope.

GROWING: The engine of the starter Ninja is now 300 cc. (PHOTOGRAPH BY KAWASAKI MOTORS)

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The New York Times

THE BLOG

Automobiles; SECTAU

A Cadillac For All Sorts Of Occasions

By JONATHAN SCHULTZ

362 words

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IN his recent review of the 2013 Cadillac XTS for the Automobiles section, John Pearley Huffman noted that Cadillac's new luxury sedan would soon colonize the curbside check-in areas of airports throughout the United States, supplanting the discontinued Lincoln Town Car as the country's livery workhorse.

Would-be fleet buyers of the XTS have grander designs on the sedan, and judging by a photo posted recently to the Web site of G.M.'s fleet and commercial division, General Motors is happy to oblige them. There, the XTS is depicted in three distinct guises -- livery sedan, limousine and hearse -- suggesting that the XTS is primed to inherit the mantle vacated by the DTS full-size sedan, the brand's former fleet chameleon, that ended production this year.

The vehicles may appear ready to ferry a passenger to an airport, prom or place of eternal rest, but David Caldwell, a spokesman for Cadillac, said in a telephone interview that two in the triumvirate were not immediately available.

"Limo and hearse customers will be able to order the chassis by end of year," he said. The work of stretching and building on the XTS donor vehicle is performed by preapproved manufacturers, called upfitters, who participate in the Cadillac Professional Vehicles Network, Mr. Caldwell added. "This was how it was done with the DTS and other vehicles over the past decade," he said.

Livery customers can elect a specific option code, which brings options that bear little relation to the vinyl bench seats and tire-iron sleeves that are beloved by some customers.

"The Livery package is just above the center point of what the retail customer would get," Mr. Caldwell said. "It basically slots between the Premium and Platinum packages." Such a vehicle would cost a livery customer roughly \$50,000. "This might limit the appeal, but we didn't want anyone to get into the car and think it was a separate or somehow lesser vehicle," he said.

THE FLEET: The XTS as, from left, a hearse, limousine and sedan. (PHOTOGRAPH BY GM FLEET AND COMMERCIAL)

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MOTORING

Automobiles; SECTAU

Fixes to Get You Started and Cool

By SCOTT STURGIS

817 words

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INFINITIS and Volvos with air-conditioning troubles and Chevrolet Silverados with failing starter motors are among the mechanical maladies covered in the latest technical service bulletins.

The bulletins, compiled by

alldatapro.com, offer automakers' insights into some recurring problems with various models. The bulletins, known as T.S.B.'s, are not recalls; they are information provided by manufacturers to dealers' service departments and mechanics.

Unless otherwise noted, the carmakers do not offer payment assistance for these repairs beyond normal warranty coverage. Alldata.com sells a more comprehensive version of the bulletins to consumers. Here are some recent examples:

ACURA Silencing an underhood squeak would be a relief to owners of a wide range of Acura models. In T.S.B. 10-035 issued on July 24, Acura's parent company, Honda, said the noise came from a drive belt for engine accessories like the air-conditioning compressor. Usually heard after a cold start, the racket is most likely a result of the construction of the drive belt and the alignment of the air-conditioning compressor. ZDX and MDX models from 2012 require replacement of the belt; this will also cure the problem in some 2011 editions of the same models.

The belt needs to be replaced, and new compressor mounting bolts need to be fitted, in these models: 2007-10 MDX, 2007-8 TL and 2010 ZDX.

Also, some 2007-10 MDXs will get an extended power steering pump warranty. According to T.S.B. 12-017 issued on Aug. 3, the pump may not provide enough power assist at slow speeds. The pump is now warranted for seven years or 100,000 miles.

CHEVROLET A new starter motor may be in order for some 2013 Silverados. In T.S.B. 12188 issued on Aug. 20, General Motors said that components in the starter motor might contact and wear through the wiring insulation. The resulting short circuit prevents the vehicle from starting. The problem has been identified in pickups with 4.8- or 5.3-liter V-8 engines. All potentially affected vehicles will be inspected, and the starter replaced, if needed.

FORD Smelly Explorers may be fouling the ride for some owners. In T.S.B. 12-8-8 issued on Aug. 16, Ford said the problem in the cooling system of 2012-13 Explorers with the 3.5-liter V-6 was most noticeable when stopping with the ventilation system in recirculation mode. Flushing the system and replacing the overflow reservoir and radiator and heater hoses should freshen the air.

HONDA Owners of some black or blue Honda Civics may be feeling bruised about the durability of the paint on the hoods of their vehicles. In T.S.B. 12-049 issued on Aug. 24, Honda said 2006-10 models might have cracking paint on the hood and top edges of the front fenders. The warranty on the paint is now seven years with no mileage limit. Vehicles already out of warranty will be covered for an additional six months from the date of the letter from Honda to the owner about the bulletin.

INFINITI Some FX50 vehicles may be plagued by noisy air-conditioner compressors. In T.S.B. 12-042 issued on July 31, Nissan, the parent of Infiniti, said the noise in some 2009-12 FX50s might be caused by a problem with the air-conditioner's high-pressure flexible hose. Replacing the hose should stop the noise.

MAZDA A "shift shock" condition may be annoying, but the fix is fairly simple. In T.S.B. 0500412 issued on Aug. 8, Mazda said a harsh shift from Park to Reverse, or from Reverse to Neutral, in some 2012-13 Mazda 3 and 2013 CX-5 models might occur if the vehicle left the factory without the initial self-programming of the control computer being completed. Having the dealer's service department shift the gear selector from Neutral to Reverse and waiting five seconds, reversing the process and repeating two or three times should clear up the harsh shifts.

VOLVO Several models may have a leaky drain plug on their air-conditioner compressors. In T.S.B. TJ26609 issued on Aug. 6, Volvo said the plug on 2012-13 S60, XC60, S80, XC70 and XC90 models might leak, causing a loss of compressor oil. Dealers will inspect all affected vehicles and replace the plug if needed.

Also, some 2012 models may have an improperly adjusted air-conditioning thermal-expansion valve, causing a groaning or grinding noise. In T.S.B. 26630 issued on Aug. 6, Volvo said the valve on affected S60, S80, XC60 and XC70 vehicles would be inspected and adjusted as needed.

REPAIRS: Clockwise from above, the 2009 Infiniti FX50, 2012 Acura ZDX and 2012 Mazda 3. (PHOTOGRAPHS BY NISSAN NORTH AMERICA; AMERICAN HONDA; MAZDA NORTH AMERICA)

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COLLECTING

Automobiles; SECTAU

Canadian Cousins With Fleur-de-Lis And Mixed Genes

By IAN AUSTEN

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1

English

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OTTAWA

TO Americans, they look familiar, yet strange. Their brand names don't ring a bell: Mayfair, Frontenac, Acadian, Meteor, Monarch, Fargo, Laurentian, Beaumont.

These are among the cars once created specifically for Canada, and usually built in Canada, by the Detroit-based automakers. In their heyday, from the end of World War II until the late 1960s -- a period of true mechanical distinctions between, say, Chevrolets and Pontiacs -- the Canadianized cars shamelessly borrowed parts and styling from their sister divisions.

Once common on Canadian roads, such cars have become, even here, largely forgotten historical footnotes.

When Denise Côté, a retired government secretary in Ottawa, went to register her 1957 Monarch Lucerne, the Ontario Ministry of Transportation would have no part of it. Until Ms. Côté commissioned an auto historian to provide the government a history of Ford Canada's Monarch brand, the license bureau would register her car only as a Mercury Monarch, a model that wasn't produced until the late 1970s and was sold on both sides of the border.

"It is a Monarch Lucerne; it is not a Mercury," said Ms. Côté, a longtime car fancier. Referring to the bureaucrats, she said, "They wouldn't change it for the world, and they eventually had to call Toronto to do it."

A variety of factors inspired the Canadian subsidiaries of Ford, General Motors and Chrysler to create Canada-only models. But the sometimes oddball results came into being, and then faded away, largely because of import tariffs.

Until the United States and Canada signed an agreement in 1965 creating cross-border free trade in cars and auto parts, vehicles imported to Canada from the United States were subject to duties of as much as 35 percent. To avoid the duties, automakers struggled to find economical ways to squeeze a wide range of models onto single assembly lines in their Canadian factories.

The models were not adapted to Canadian roads, which aside from the snow and ice, were generally poorer, at the time, than American roads.

"Was there any design or engineering done?" said Sharon Babaian, curator of transport at the Canada Science and Technology Museum. "No, not really. It was very, very cosmetic. I think they probably put more money into the marketing than they did into the actual changing of the style of the vehicle."

Canadians' disposable income has generally lagged that of Americans, but the gap was particularly wide in the 1950s and '60s. So automakers created less costly premium models for Canada even as they sold more or less the same base models in both countries.

General Motors of Canada and Ford Canada often took the same approach: they would drop a mildly redesigned body of a more costly Pontiac or Mercury onto the chassis of a similar Chevrolet or Ford. The less expensive car's engine and drivetrain would be kept, along with most of its interior.

Chrysler Canada often went with a hybrid approach, grafting the front end of a Dodge, then considered a more premium model, onto a Plymouth.

American Motors and Studebaker largely dealt with the situation by offering fewer models, although Studebakers continued to be made and sold in Canada after the company ended American production in 1963.

The mix-and-match approach had some disadvantages. Starting with 1959 models, the wheels of American-market Pontiacs were set further apart in what was heavily promoted as "wide track" design. As a result, Todd St. Clair of Ingersoll, Ontario, who runs Canadian Poncho, a site for Canadian Pontiac enthusiasts and collectors, said that when Pontiac body shells were placed on Chevrolet chassis in Canada, the cars' wheels were noticeably, and awkwardly, inset.

Mr. St. Clair added, however, that although Chevy powertrains were seen as more prosaic, Canadian Pontiacs offered a wider range of engines, including high-performance versions. And Canadianized Pontiacs often outsold Chevrolets in Canada.

"We had better choices than buyers of American Pontiacs," said Mr. St. Clair, who grew up in a Pontiac household but is now a service consultant at a Chrysler dealership.

Pontiac dealers also carried a separate Acadian brand, comprising compact Chevys that had been slightly reworked. Joe Lizon, a collector in Ortonville, Mich., owns two Acadians and bought two others for his adult children. He said the absence of a Pontiac badge meant that "I can go to Pontiac shows and the Chevrolet shows" to exhibit them.

While the Canadian models were primarily a product of trade restrictions, they also helped the American automakers counter a sentiment in postwar Canada that the United States held too much sway over the national economy.

A television commercial heralded the 1960 Mercury Meteor Montcalm, a modified Ford Galaxie, as "Canada's idea car of the year." An announcer repeatedly boasted that it was "distinctively Canadian," without further explanation.

For most manufacturers, making a car "distinctively Canadian" amounted to screwing on some token symbols. In an apparent homage to the nation's British roots, the exterior door locks on Ms. Côté's Monarch Lucerne have covers shaped like tiny gold crowns; there are more crowns on the hood ornament, steering wheel and trunklid. Other favored additions to hubcaps or steering wheels were maple leaves or the fleur-de-lis symbol of Quebec. Grilles were often redesigned and headlamps got distinctive, though not necessarily prettier, housings.

Where those designs originated is unclear. But R. Perry Zavitz, the author of "Canadian Cars, 1946-1984" (Bookman Publishing/Motorbooks International), said most of the design and engineering changes came from the head offices in the United States.

Mr. Zavitz said that several of the designs seemed based on styling cues from concept cars that were ultimately rejected for the American market. That seemed particularly true, he said, of the 1960 Frontenac, a reworked Ford Falcon with a bizarre grille: it featured a circular bull's-eye, two chrome spears and lozenge-shaped sections with, of course, an ample scattering of maple leaves.

"The Frontenac only lasted a year, which is some credit to Canadian consumers," said Ms. Babaian, the curator.

Canadianization was not limited to cars. Chrysler revived the Fargo name from its distant past to rebadge Dodge trucks for Canada's Plymouth dealers; Ford offered a line of Mercury trucks that were not sold in the United States.

After the auto trade agreement was signed, Canadian auto plants were integrated with their American counterparts and gradually began producing just a single line of vehicles, most of them destined for the United States.

Many Canadian models, however, persisted long after the trade agreement came into effect, if in ever less distinct forms. Eventually, Mr. Zavitz said, Ford started rebadging some Mercurys as Meteors and shipping them north from American factories. "I don't know the reason why," Mr. Zavitz said. "It seems kind of silly to ship a Canadian model from the United States."

Because the Canadian models were generally budget versions of American cars, Mr. St. Clair, the Canadian Pontiac admirer, said they were long ignored by collectors, particularly in the United States, who viewed them as

inferior. Ms. Babaian said that like many economy cars, they were more likely to be scrapped than saved, so they are relatively scarce today.

The paucity of surviving Canadian models and their novelty factor has led many collectors to re-evaluate Canadian models, Mr. St. Clair said.

"In the years past, the Canadian Pontiacs were kind of shunned," he said. "Now we're starting to see more interest." Interest is also coming from collectors in Australia and Britain, where Canadian models were often exported.

Scarcity is a significant attraction for Mr. Lizon, the American collector of Canadian cars. His two 1965 Acadian Beaumonts were fitted with optional 350-horsepower V-8s. G.M. Canada's records indicate that only 23 such cars were built, he said. But even more mundane models were produced in relatively low numbers, reflecting Canada's smaller population, making surviving Canadianized cars quite scarce.

Ms. Côté bought her Monarch in 2006 because she had fond memories of the 1957 model she had bought secondhand after she got her first job. Through the Internet, she found one in Saskatchewan.

Though the days of Canadianized styling and borrowed powertrains are long gone, automakers have more recently made occasional exceptions to the rule of cross-border commonality. After General Motors introduced the Buick LaCrosse for 2005, it abruptly changed the car's name in Canada to the Buick Allure; in Québécois slang, "la crosse" is a vulgar expression.

But by the 2010 model year, when Buick introduced an all-new LaCrosse, it didn't bother to rebadge the car in Canada, perhaps reasoning that its French-speaking customers could withstand the potential embarrassment.

NORTHERN EXPOSURE: Denise Côté, left, with her 1957 Monarch Lucerne, a Canadian blend of Ford and Mercury. Canada-only models included the Frontenac, far left, a Ford Falcon variant, and Chrysler's line of Dodge-based Fargo trucks, below. (PHOTOGRAPHS BY IAN AUSTEN FOR THE NEW YORK TIMES; FORD MOTOR COMPANY ARCHIVES; CHRYSLER CANADA)(AU1); WIDE EYED: A 1961 Meteor Montcalm, left, is displayed at the Canada Science and Technology Museum in Ottawa. Basically a Ford Galaxie with otherworldly styling, the Montcalm has widely spaced headlamps and fleur-de-lis emblems. (PHOTOGRAPHS BY IAN AUSTEN FOR THE NEW YORK TIMES); CHEVY III: 1962 Acadian Beaumont, top left and right, was essentially a Chevy II sold by Pontiac dealers. Badge, above, was a maple-leaf hat trick. Left, two of the '66 Meteor models. (PHOTOGRAPHS BY IAN AUSTEN FOR THE NEW YORK TIMES; FORD MOTOR COMPANY ARCHIVES)(AU2)

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Business/Financial Desk; SECT
G.M. Turns to the Chinese to Help Sales in India

By REUTERS
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TALEGAON, INDIA -- General Motors began initial production of its first Chinese-designed car for the Indian market this week, a major step for the U.S. automaker as it tries to grow in a market where foreign companies have struggled.

Indians' love for small cars and the highly competitive, price-sensitive market has confounded many of the world's major automakers, who wrestle with lackluster shares in a market where many models made specifically for India.

The compact Sail, which is already sold elsewhere as a sedan and a hatchback, will go on sale next month in India. The car was the first model designed by SAIC Motor, G.M.'s Chinese partner, the president of G.M. India said in an interview at a factory in western India.

What SAIC "brings to us is more of a regional focus and more of an emerging market focus," said Lowell Paddock, G.M. India's president. "Sail is in some ways perhaps the first vehicle designed with primarily Asian customer requirements."

SAIC holds a 50 percent stake in the Indian unit. A larger passenger van from SAIC's stable will begin production in India by the end of 2012.

Unlike the situation in China, where G.M. and Volkswagen top the passenger vehicle market with a combined 30 percent share, all foreign automakers combined -- excluding Hyundai -- account for less than 25 percent of the Indian market, despite billions of dollars in investment and decades of toil.

Cars designed for customers and segments in other countries have failed to capture the hearts of India's demanding car buyers, leaving companies like G.M., Volkswagen and Ford with lots filled with ill-suited models and falling use of capacity at their plants.

G.M. needs a shot in the arm. Its India sales fell an annual 11 percent in the first six months of 2012, against a 10 percent rise in overall car sales, according to data from the Society of Indian Automobile Manufacturers.

Mr. Paddock acknowledged the company had "underperformed."

"We've had an under-representation in the growing segments. As the market moved, we were left with a void."

In 1992, India's roads were dominated by small, low-powered Maruti Suzuki hatchbacks for the simple reason that there was little else on offer.

Twenty years later, the same models still account for nearly half of India's new car purchases, with the local titan Tata Motors and Hyundai Motor together accounting for almost 30 percent. The utility vehicle maker Mahindra & Mahindra sells 10 percent of all the country's passenger vehicles.

Other foreign automakers have failed to match the approach of Hyundai, which entered the country after General Motors but with an aggressive small-car focus and models specifically for India.

"The Indian market has been incredibly difficult for us and for everybody else," said Tim Lee, head of international operations at G.M. "We underperformed both from a share standpoint, as well as a total volume standpoint."

Almost all of G.M.'s nine Indian models are based on vehicles designed by Daewoo of South Korea and cost more than their main competitors. The Spark, G.M.'s entry-level car, is more than 30 percent more expensive than the Maruti Alto, the best-selling Indian car.

G.M.'s Aveo sedan and Aveo U-VA hatchback, based on Korean designs and first introduced without diesel models, mustered a combined 3,328 sales in 2011. Toyota Motor's India-specific Etios and Liva -- direct competitors to the Aveos in both segments -- sold a total of 63,500 in the same period.

"It's no good having a vast array of products that no one is going to buy," said Michael Boneham, president of Ford India. Ford's sales in the first six months of 2012 also fell an annual 11 percent, with Volkswagen's sales down 8 percent.

Ford, which has operated in India since 1996, underperformed in its first decade selling European models like the Escort and Mondeo. It has recently seen sales jump with the Figo, its first small car manufactured only in India.

"As a business, what we were doing was shipping vehicles from Europe and trying to shoehorn them into the consumer here," Mr. Boneham told Reuters. "Figo was a game-changer for us."

That is G.M.'s hope for the Sail, China's biggest selling car in June, and offered with both gasoline and diesel engines.

G.M. sold 111,510 cars in India in 2011, less than a third of its total installed capacity. Ford's sales accounted for little more than half of its total capacity in India last year, even as it was spending \$1 billion on a new factory to produce 240,000 vehicles a year.

Where G.M. and Ford have adapted to the Indian car market is in diesel production, investing in plants to meet a surge in popularity for the fuel because of government subsidies that make it about 50 percent less costly than gasoline.

G.M.'s powertrain facility in Talegaon, about 100 kilometers, or about 60 miles, outside Mumbai, is its first in the world to produce both gasoline and diesel engines simultaneously, the company said.

"In the past we did not have as broad a portfolio here, we did not have, for example, a small vehicle with diesel, and we underperformed because of that," Mr. Paddock said. "But I think if we look at the opportunity that we have now, with the right vehicles, the right powertrains, the right level of tailoring, we think we have the right recipe."

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The New York Times

Business/Financial Desk; SECTB
The Great Cadillac Hope

By BILL VLASIC; Sharon Silke Carty contributed reporting from Detroit.

1,145 words

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The New York Times

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Late Edition - Final

1

English

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DETROIT -- It has been three years since General Motors hobbled out of bankruptcy with a pledge that its newest cars would be competitive with the best in the world.

But while it has improved its products since then, G.M. has yet to deliver a signature new model that proves it belongs among the industry's elite.

That is about to change, company executives say, with the introduction this month of the Cadillac ATS -- a compact luxury sedan with aspirations of taking on the king of the segment, the BMW 3-series.

For G.M., the ATS is a make-or-break effort to establish Cadillac as a legitimate contender in the global luxury car market. And to succeed, the sleek, lightweight ATS must put to rest Cadillac's lingering image as a brand known for its gaudy grilles, big engines and flashy designs.

"I'm fully aware this change isn't going to happen overnight with this car alone," Mark Reuss, head of G.M.'s North American operations, said. "We have to keep doing what we did with this car over the next 10 or 20 years to prove it."

Auto analysts view the new Cadillac as evidence of how far G.M. has come since its financial collapse and \$50 billion government bailout.

While G.M., which is still 26 percent owned by the government, has fared well with redesigns of standard models like the Chevrolet Malibu, the company started from scratch in designing the ATS.

Hoping to lure a younger buyer, it created a new rear-wheel-drive platform and loaded the car with the latest technology and touch-screen controls.

"This is something the old G.M. wouldn't even try," said David Whiston, an analyst with the Morningstar research firm. "They need this car badly to elevate the prestige of the entire Cadillac brand."

Mr. Reuss was among the G.M. executives who pressed the company to make a compact Cadillac sedan that could rival the best that BMW and Mercedes had to offer.

In the past, the company shied from competing head-on with the smaller 3-series, choosing to focus on making larger, heavier Cadillac sedans and sport utility vehicles.

But with the ATS, G.M. virtually copied the dimensions of the BMW model and used high-strength aluminum and other parts to make it slightly lighter than a 3-series or the Mercedes-Benz C-class.

"At the end of the day, the customer is going to buy the car based on the established segments in terms of size, price and performance," Mr. Reuss said. "For the first time, we actually did a car that wasn't bigger and heavier than everyone else."

The ATS comes with three engine options, ranging from a four-cylinder offering that gets more than 30 miles per gallon in highway driving to a more powerful V-6 that can reach 130 m.p.h.

G.M. also toned down the look of the car, replacing the sharp creases and lavish chrome that adorn other Cadillac models with a more refined design that emphasizes the sculptured hood and body panels.

"We have learned so many lessons with this car," said David Leone, the chief engineer on the ATS. "I've been with Cadillac for 30 years, and from Day 1 we said this would be different than anything we've done before."

The subtler design also reflects G.M.'s ambitions for the car in markets like China and Europe, where Cadillac's all-American heritage does not resonate with customers when it competes with the top German and Japanese luxury brands.

G.M. has not released sales goals for the ATS in the United States or in international markets, but Mr. Reuss said he expects it to become Cadillac's top seller.

A hit in the compact luxury segment would go a long way toward improving Cadillac's middle-of-the-pack position in the American market. In the first seven months of the year, Cadillac sold 76,000 vehicles in the United States, compared with 185,000 by BMW and 164,000 by Mercedes-Benz.

G.M. also hopes the ATS will erase the memories of the last time Cadillac tried to make a compact sedan, when it gussied up a mainstream Chevrolet in the 1980s and called it a Cimarron. The car was a noteworthy flop and emblematic of G.M.'s inability to connect with wealthy, discriminating consumers.

"Let's face it, the Cimarron was a Chevy in drag and a horrible car," said Jim Hall, managing director of the auto-consulting firm 2953 Analytics in Birmingham, Mich. "The ATS is the antithesis of the Cimarron."

Mr. Hall, however, wondered whether even G.M.'s best efforts could persuade BMW lovers even to consider a Detroit-made sedan.

"They are not going to be drawing people out of BMW at first, but they have to at least be on consumers' consideration list," he said. "And it may take years to get that consideration."

G.M. has advertised the car heavily over the summer, but the first shipments are not expected on dealer lots for another week or so. Steve Groner, a Cadillac salesman in Jacksonville, Fla., said several hundred people had inquired about the car in the last few months.

"The interest is there and people are excited about it," Mr. Groner said. But, he added, "there is nothing like sitting and driving the actual real thing."

G.M. has priced the car about \$2,000 less than a comparable BMW or Mercedes, with the base ATS model costing \$34,000 and the most expensive \$48,000.

And even if it fails to lure potential BMW buyers to Cadillac, the ATS should be a worthy alternative to other entry-level luxury models from Toyota's Lexus brand and Honda's Acura division.

One consumer already considering the ATS is Doug Evanitsky, a 44-year-old computer analyst from Enola, Pa. He drives an older-model Lexus IS but has been avidly reading the rave reviews in car magazines that compare the ATS favorably with the BMW.

"That's pretty impressive, because the 3-series has pretty much been the king of the entry-level sport sedans for years and years and years," he said. "So if somebody can get even close to it, it's got to be worth looking at."

The first 2013 Cadillac ATS left the line at G.M.'s Lansing Grand River assembly plant in Michigan on July 26. (PHOTOGRAPH BY JEFF KOWALSKY/EUROPEAN PRESS AGENCY) (B1); David Leone, the chief engineer on the Cadillac ATS, at an event last week to promote the car. (PHOTOGRAPH BY FABRIZIO COSTANTINI FOR THE NEW YORK TIMES) (B2)

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The New York Times

Automobiles; SECTAU

New Mazda 6 Will Enter Midsize Fray

By PAUL STENQUIST

316 words

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Late Edition - Final

4

English

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MAZDA on Tuesday introduced its 2014 Mazda 6 at the Moscow motor show. The revamped midsize sedan will compete with recently updated entries from Ford, Chevrolet, Nissan, Honda and Toyota.

Unlike the recently introduced Mazda CX-5 crossover, which bore just a passing resemblance to the Minagi design exercise that preceded it, the redesigned 6 appears to be faithful to the Takeri sedan concept first shown at the Tokyo motor show in 2011.

In keeping with the automaker's practice of ascribing mythical language to its engineering and design principles, both vehicles contain the influence of Kodo, or soul of motion, the philosophy that displaced Nagare, Mazda's previous design language.

Like the Takeri concept, the 6 has pronounced front fender arches, sharply creased character lines that sweep upward from the bottom of the front wheel wells, a smoothly arcing roofline over a crescent of side window glass and a gaping front grille that departs a bit from the much-maligned "Mazda smile."

The wheelbase has increased from the 109.8 inches of its predecessor to 111 inches.

Like other recently introduced Mazda vehicles, the sedan incorporates the automaker's Skyactiv suite of efficiency-enhancing technologies. The centerpiece of Skyactiv is power-plant engineering that relies on extremely high compression ratios, up to 14:1 in some iterations; specially tuned exhaust plumbing that reduces combustion temperature; variable valve timing; and direct fuel injection to deliver fuel economy and performance to rival hybrid powertrains and turbocharged direct-injection engines.

The Russian specification of the sedan receives two Skyactiv engines: a 134-horsepower 2-liter 4-cylinder unit and a 189-horsepower 2.5-liter 4-cylinder.

Mazda said specifications, pricing and availability information for North America would be announced later.

CONTENDER: The 6 will have Mazda's new Skyactiv technologies. (PHOTOGRAPH BY MAZDA NORTH AMERICA)

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The New York Times

Automobiles; SECTAU

Standards for Fast Charging Are Getting No Closer

By KEN BELSON

710 words

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Late Edition - Final

8

English

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TOKYO

WITH a steady flow of battery-powered vehicles arriving in showrooms, and charging infrastructure plans being announced almost daily, it would seem that the initial beachhead for electric vehicles is well established.

Yet the prospects for long-distance travel by electricity continue to be limited. Until a mechanism for replenishing a car's batteries, either by charging them quickly or swapping them altogether, is in place, the appeal of electrics will be constrained. Even with cars for sale that offer 300-mile batteries, a cross-country vacation in a purely electric car remains impractical.

Several fast-charging solutions -- typically, systems that can restore a battery to 80 percent of its capacity in 30 minutes or less -- are already available, but the connectors and software used in these direct-current chargers are largely incompatible. As standards wars go, the debate over which will become the de facto industry leader is a small-scale version of the epic battle between Betamax and VHS or Apple versus Microsoft.

For drivers, this means that not only must they locate a high-speed charger when they travel, but it has to be a specific type of charger -- a factor that could hurt already struggling E.V. sales.

That incompatibility appears to be growing. In May, the Detroit Three and five German carmakers, including Mercedes-Benz and Volkswagen, said they would create a charger with a two-prong connector that could provide a fast direct-current charge, or a slower alternating-current charge, in a single combined plug.

The announcement angered companies here that have backed a rival technology. For several years, Nissan, Mitsubishi and many charger makers have developed a technology called CHAdeMO, which is installed in at least 1,500 fast chargers globally. Any new standard, these companies say, is unnecessary and ultimately destructive.

"CHAdeMO is already a very proven technology," said Hideaki Watanabe, vice president in the Zero Emission business group at Nissan. "I don't know why we need another standard."

Adding to the confusion, Chinese electrical vehicle makers are creating their own fast chargers to be used in their home market. Tesla, the California-based maker of electric cars, has developed its own chargers as well.

The differences between standards are not insignificant. Cars like the Nissan Leaf have individual sockets for the different levels of charging.

The American-German technology, which is based on the SAE J1772 standard used in slower AC chargers, would allow carmakers to install only one combined socket on the car.

"We think that it is a convenience factor," said Kevin M. Kelly, a spokesman for General Motors, who said the new fast chargers would not be ready until at least next year, when a Chevrolet Spark E.V. is to go on sale. Whatever the merits, the dueling standards are likely to create headaches for governments and companies that have already installed CHAdeMO fast chargers.

"We already picked a winner; we picked CHAdeMO," said George Beard, who helped install an array of chargers, including two fast chargers, on Electric Avenue, a showcase street in Portland, Ore. "If I was a consumer and I had type A and couldn't use type B, I'd be furious."

With no group willing to concede, all eyes are on an otherwise obscure technical committee of the International Electrotechnical Commission. The committee is reviewing the standards, and in the coming months is expected to approve one or more of the fast charger standards.

Tesla, which just introduced its Model S sedan, may well have the biggest stake in the matter. Yet it is also going its own way, developing a fast-charge system that it says can provide enough electricity in 30 minutes to power a car for 150 to 160 miles.

All Tesla Model S cars with the 85-kilowatt-hour battery pack come equipped to use the Supercharger, which will be installed along major routes, according to Christina Ra, a spokeswoman for the company. Tesla Superchargers will initially be compatible only with Model S vehicles, though that may change, she said.

INCOMPATIBLE: The CHAdeMO fast-charge plug, left, with the SAE combination plug. (PHOTOGRAPH BY BRADLEY BERMAN FOR THE NEW YORK TIMES)

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The New York Times

BEHIND THE WHEEL | 2012 TOYOTA RAV4 EV
Automobiles; SECTAU
With a Jolt From Tesla, a More Electrifying Utility

By BRADLEY BERMAN

1,649 words

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1

English

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VENICE, Calif.

THE top speed of a vehicle usually doesn't mean much -- until, that is, you're running late for a flight, as I was in Los Angeles a few Saturdays ago.

I punched the Sport button on the all-electric Toyota RAV4 EV that I had been driving for two days and slammed the accelerator to the floor. The burst of power -- in a blink it kicked me past the 75 m.p.h. traffic in the fast lanes -- was not what I expected from a small battery-powered crossover.

The electric surge was transformational. Still gaining speed at a good clip, I could easily have zoomed to the 100 m.p.h. top speed listed in Toyota's specifications. (For the record, the top speed in Normal mode is 85.)

The electric drivetrain from Tesla Motors, maker of the rollicking two-seat Roadster that has helped overhaul the spinster image of electric cars, turned a sedate Toyota utility wagon into a high-riding 4,032-pound electric beast. I made it to the airport with time to spare.

The story of the 2012 RAV4 EV, which goes on sale this month at about 60 Toyota dealerships in California, represents the melding of two disparate corporate cultures -- one a staid but successful Japanese behemoth, the other a disruptive California start-up -- into a single machine.

The May 2010 ceremony that announced their partnership was equal parts Hollywood, Marvel and anime. Arnold Schwarzenegger, the former Mr. Universe who was California's governor at the time, presided. Elon Musk -- Tesla's chief executive, a practicing rocket scientist and the inspiration for the billionaire Tony Stark character in the "Iron Man" films -- shook hands with Akio Toyoda, Toyota's chief. Mr. Toyoda, heroic in his own way, had three months earlier offered a self-effacing, apologetic bow before the Japanese people for his company's gas-pedal safety gaffe.

The governor pointed to Toyota's quintessentially nerdy hybrid. "The Prius is an extraordinary car that goes more than 50 miles per gallon," he said. "That was revolutionary."

He then pointed to a Tesla Roadster, built on the chassis of a Lotus sports car, and said, "You can do something that is very sexy-looking, that goes from zero to 60 in less than 3.9 seconds."

With an actor's timing, he turned to the crowd and said, "Both of those forces now come together."

Two years later, here I was, driving the embodiment of that union, a joining of the efficient-but-tepid Prius with the screaming-fast Roadster.

The choice of the RAV4 as the platform for a Toyota-Tesla venture was far from certain when engineers from the companies first met. The Tesla group, mostly unfamiliar with Toyota's full model line, boned up by visiting a showroom.

"O.K., here are all the Toyota cars," J B Straubel, Tesla's chief technical officer, said to his team. "What can we make into an E.V.?"

When Mr. Straubel first met Greg Bernas, Toyota's chief engineer for the project, Mr. Bernas was leafing through a newly purchased technical primer for electric vehicles, noting that his team members were thinking about E.V.'s for the first time in their careers.

The RAV4 platform was chosen, in part, because it could carry a battery pack large enough for a reasonable range. It also met a requirement set by Mr. Toyoda: that it be built in North America. The RAV4 also had an E.V. pedigree: in 1997-2003, Toyota produced some 1,500 electric RAV4s.

In the past decade, the RAV4 has bulked up and grown in length, but its design has not exactly been a trendsetter. It is functional, reliable and drab; everything in its place, but devoid of personality. There's a reason Kanye West rhymes, "What you think I rap for? To push a RAV4?"

My first miles in the RAV4 EV took me north from Newport Beach along the Pacific Coast Highway. When I arrived at my Venice destination, the dashboard display read 47.5 miles, with an estimated 98 miles of remaining range. In other words, after a trip of nearly 50 miles there was almost 100 miles of electricity left in the battery.

By comparison, the Nissan Leaf I drive at home usually won't go more than 80 miles on a full charge, period. The main reason for this difference is onboard electricity storage: the Tesla-made battery pack in the RAV4 EV has a capacity of 41.8 kilowatt hours, while the Leaf's is 24 kilowatt hours.

The E.P.A.'s efficiency rating, expressed in miles-per-gallon equivalent, has not been released, though Toyota said it expected a combined figure of 76 m.p.g.e. For comparison, the Leaf is rated at 99 m.p.g.e. and the Ford Focus EV at 105.

By the end of the day, I had ventured farther north toward Ventura and then back to Venice, clocking 127.6 miles on a single charge, the battery going from fully charged to almost completely empty. I seldom used the Sport mode and ran the air-conditioner for only a few minutes.

The next day, I did my best imitation of an action hero on Los Angeles streets. Trying to find the lower limit of the RAV4 EV's range, I screeched away from stoplights in Sport mode and blasted the air-conditioner. On that drive, I managed 102 miles, with an estimated 19 miles remaining.

The *raison d'être* of a big battery is to provide longer range, but the bonus here was that heaping abuse on the Tesla powertrain had relatively little effect on overall range. Through the accelerator pedal I got the feel of Tesla's devotion to megadoses of electric power, and with the 845-pound battery pack planted beneath the center of the cabin, the handling was solid. (The E.V. version of the RAV4 weighs about 470 pounds more than a similarly equipped V-6 model.)

Using all of the 154 horsepower and 273 pound-feet of torque available in Sport mode -- on the road, the power is far more impressive than the numbers sound -- my zero-to-60 runs measured a brisk 7 seconds, about the same as a gasoline RAV4 with the V-6 engine. Switching to Normal mode, which cuts torque output to 218 pound-feet, the same run took 1.5 seconds longer.

The RAV4 EV's brakes are transplanted from the Prius, and follow that car's operating philosophy for regenerative braking.

"As soon as you step on the brake, we're going to take over," said Sheldon Brown, Toyota's executive program manager for the RAV4 EV. "Our system effectively captures all the available energy."

Toyota's approach has been widely criticized; reviewers complain about a vague pedal feel when the drive motor shifts to its regenerative mode and charges the battery. Numb though it may be, it has the benefit of being familiar to many drivers.

"We know our folks like the Prius," Mr. Brown said. "We have millions of miles on the road with it. We wanted to keep the same feel."

The RAV4 EV also takes its gearshift handle from the Prius, which looks ridiculously small on a vehicle this size. It comes across as an example of corners cut to meet a hurried production schedule; RAV4 EVs started rolling out of the assembly plant 22 months after the program's announcement.

Other irritants: the vehicle has no quick-charge port, so replenishing the battery to its full 41.8-kilowatt hour capacity takes at least a six-hour session, even on a 240-volt circuit. There's no third-row seating option or all-wheel drive capability. And as with the gas-powered RAV4, the rear cargo door swings awkwardly to the side to open rather than lifting upward.

But in the larger picture, the Toyota-Tesla RAV4 EV could be a watershed for electric vehicles, demonstrating that E.V.'s can be big and gutsy. The vehicle's size -- combined with Toyota's reliability and Tesla's exuberant propulsion -- shreds nearly every common objection to electric vehicles available now or on the horizon. Most notably, the consistent range of about 120 to 130 miles is delivered even when your drive is a spirited romp and the air-conditioner is run full-blast. Kanye should give this RAV4 a try.

With the plus-size battery that makes it all possible comes a hefty price: \$50,610, before a \$7,500 federal credit and a \$2,500 California rebate; Toyota expects to announce a lease plan this month. The EV is equipped with about the same level of amenities as the gasoline-powered RAV4 Limited V-6 model, which costs \$31,279. (Well, there's no leather upholstery, but the EV borrows more efficient headlamps from Lexus.)

Still, \$40,000 buys a Tesla-brewed Toyota that offers generous space for passengers and cargo, and even if you commute alone, there's no need to feel guilty, because there's no tailpipe fouling the atmosphere. Only 2,600 units will be made, with production wrapping up at the end of 2014. The limited run, I believe, will only heighten its appeal, earning Toyota a legion of interested customers begging the company to make more.

INSIDE TRACK: When Toyota met Tesla.

MASSAGED: A restyled bumper and grille reduce wind drag. Top right, a Prius shifter is fitted. (PHOTOGRAPHS BY BRADLEY BERMAN FOR THE NEW YORK TIMES; TOYOTA MOTOR SALES)(AU1); SELECTIVE: Toyota chose the RAV4 for its Tesla project as a way to enter a new segment for E.V.'s. (PHOTOGRAPHS BY TOYOTA MOTOR SALES)(AU8)

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The New York Times

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Correction

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2

English

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A picture caption last Sunday with an article about the Pebble Beach Motoring Classic, a 1,500-mile tour for vintage cars through three Western states, misidentified one of the vehicles. It was a 1931 Pierce-Arrow Model 42 Sport phaeton, not a 1930 Hispano-Suiza H6C Cabriolet.

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The New York Times

Automobiles; SECTAU

Appreciation For Vintage Cars, In Two Senses

By ROB SASS

1,305 words

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1

English

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Monterey, Calif.

FOR solid financial returns, gold seems nearly alone among investments that are legal -- and fathomable -- to those of us who are not bankers. Gold's performance over the last five years has been overwhelmingly positive, its price per ounce more than doubling since 2007.

But the skyrocketing prices of certain Ferraris built from the 1950s through the 1970s have in some instances made gold's gaudy rate of appreciation look like a passbook savings account at the neighborhood bank branch.

"People who have been in the collectible automobile market and originally bought for the love of object are now looking at it as a diversification tool and a strategic part of a well-organized investment portfolio," Claiborne Booker, an independent financial consultant based in Virginia, said.

Certainly, Ferraris are not the only vintage vehicles whose values have outstripped inflation and conventional investments, but they have been one of the most reliable market indicators among collectible automobiles. And their sales at auctions are closely followed, so there is a reliable track record on which projections can be based.

Examples of impressive returns can be found in several Ferraris consigned to the auctions that took place here in the days around the Pebble Beach Concours d'Élégance. Gooding & Company of Santa Monica, Calif., offered a rare 1962 Ferrari 400 Superamerica Coupe Aerodinamico, one of only about 14 built by the coachbuilder Pininfarina, each car individualized for its first buyer. No two were precisely alike in their details.

That car was offered with Gooding's presale estimate of \$1.75 million to \$2 million; it sold for nearly \$2.4 million, including buyer's premium. The same car sold nine years ago at a Barrett-Jackson auction in Los Angeles for \$432,000. That represents a \$2 million return in less than 10 years, a period that some investors consider a lost decade.

Perhaps those results could be attributed to good luck or great intuition. But the timing of the buyer in 2003 could scarcely have been better: shortly after the red Superamerica was purchased, prices for the model began to rise, indicated by sales of other Superamericas: a \$560,000 sale of a similar car in late 2005, followed by a jaw-dropping \$1.6 million sale in Pebble Beach in 2008 and culminating with a \$2 million sale at RM's Monterey auction last year.

The year-over-year difference between this year's sale and the one last year is an impressive \$400,000. Condition, ownership history and the circumstances of the sales are all influencing factors in the price, surely, but the trend is still unmistakable.

Later, higher-production Ferraris like the 365 GTB/4, commonly known as the Daytona, have also seen increases in price exceeding that of gold over the same period. The Daytona was one of the last models whose development was influenced directly by Enzo Ferrari. They're brutish, exceedingly handsome and quite fast even by today's standards; with a top speed of 172 m.p.h., the Daytona was the fastest production car available for much of its time on the market.

RM Auctions of Chatham, Ontario, offered two Daytona coupes this year, a black 1973 model and a bright yellow 1972. The yellow car had a relatively active auction history over the last decade. The same car was offered at a Bonhams auction in Massachusetts in 2003 where it failed to sell on a high bid of \$97,000. Six years later,

Bonhams once again offered the car, this time at its auction in Carmel, Calif., where the seller again declined the high bid -- which, at \$210,000, was more than double that of the last time out.

This year, the presale estimate for the same car was \$375,000 to \$475,000. The third time across the block was clearly the charm, and patience paid off: the yellow Daytona sold for \$396,000, while the more staid black car went for about \$30,000 less.

The impressive returns have not been limited to Ferraris and other rare European exotics. Following Carroll Shelby's recent death, there were an unusually large number of Shelby automobiles offered in Monterey.

There were predictions of a Shelby feeding frenzy, but in reality the market seemed to have taken Mr. Shelby's death at age 89 into account quite some time ago. Even so, over the last 10 years, the most collectible Shelbys have done quite well.

For instance, RM's auction here included the sale of a 1965 Shelby Mustang GT350 R, a rare competition version of the GT350, for \$990,000. Three years ago, in the depths of the recession, Russo & Steele sold a similar car in Monterey for just \$396,000. In 2003, RM Auctions also sold a GT350 R for \$206,700.

To maximize the return on a Shelby, however, one's timing had to be astute -- either getting into the market in the early part of the last decade or buying after a recent, but apparently short-lived, correction. It should be noted that at the prerecession height of the market in 2007, these cars were trading for prices near what the RM car brought.

Just as gold has had its share of peaks and valleys, so have collectible automobiles. Ferraris in particular have had periods of considerable volatility.

According to Michael Sheehan, a Ferrari historian and dealer, the market has imploded twice in the last 30 years or so. The first time was in 1979, and then it happened again -- spectacularly -- in 1990 after a sharp downturn in the stock market, coupled with the bursting of the Japanese real estate bubble, began a slide in the Ferrari market. By 1995, some models lost 75 percent of their value.

"There's no sign of an imminent bubble burst in the current market, but most people don't realize that some Ferraris still haven't regained their 1989 highs," Mr. Sheehan said.

Naturally, this raises questions about the wisdom of buying a classic automobile for its investment potential -- after all, there are storage, maintenance and insurance costs to consider -- rather than the pleasure that ownership brings.

Drew Alcazar, founder of the Russo & Steele auction house, said in a telephone interview that he had witnessed three previous boom periods in the collector car market before the current one.

"Some of the really big cars eclipsed high-water marks from a few years ago that we didn't think would return this soon," he said. "While there are without question certain cars that are blue-chip cars, if you wake up tomorrow to find that what you paid XYZ for is now worth five bucks, but it still puts a smile on your face, then you're doing things right.

"You should do your due diligence and then buy what you like," Mr. Alcazar said.

RUMBLER: A 1965 Shelby Mustang GT350 R racecar sold for \$990,000 at RM's auction. (PHOTOGRAPH BY STEPHEN GOODAL/RM AUCTIONS)(AU1); INVESTMENT GRADE: Ferraris like the 400 Superamerica, above, and 365 GTB/4, left, have outstripped gold in returns. (PHOTOGRAPHS BY GOODING & COMPANY; STEPHEN GOODAL/RM AUCTIONS)(AU6) CHART: But Honey, It's a Smart Investment: Auction prices for Ferrari sports cars have appreciated sharply over the last decade, a trend that continued at the sales held last weekend in conjunction with the Pebble Beach Concours d'Élégance. Two Ferrari models with well-documented auction histories, charted below, have outpaced both the Standard & Poor's 500-stock index and the spot price of gold. This trend is indicative of other vintage Ferraris, provided they are quality examples of desirable models and in top condition with the proper equipment and supporting paperwork. (Source: Bloomberg)(AU6)

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The New York Times

SAFETY

Automobiles; SECTAU

Tougher Crash Test Brings Lower Scores

By CHERYL JENSEN

1,077 words

19 August 2012

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6

English

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NEW models typically receive the top rating -- Good -- in front offset crash tests conducted by the Insurance Institute for Highway Safety. So the institute raised eyebrows throughout the auto industry last week when it released results of a new type of frontal test in which only two of the 11 tested cars received the highest score.

All 11 cars, which fall into the "entry luxury" market class, had received the top rating in previous frontal crash tests, which spread the impact of a 40 mile per hour crash over 40 percent of the car's front end, on the driver's side. The institute, which is financed by the insurance industry, will continue to use that 40 percent test, which it is now calling the "moderate overlap" frontal test.

The new "small overlap" frontal test is designed to replicate what happens when a car's front corner collides with another vehicle or with a stationary object like a tree or utility pole. The new test spreads the 40 m.p.h. impact over a smaller area, about 25 percent of a car's front end, also on the driver's side.

That front-corner hit missed the main crush zone structures in most of the cars. These structures help to manage crash energy and reduce the impact on the passenger compartment.

The two sedans that received Good ratings in the new test were the Acura TL and Volvo S60. One model, the Infiniti G, was rated Acceptable.

Four cars received Marginal ratings: the Acura TSX, BMW 3 Series, Lincoln MKZ and Volkswagen CC. And four received the lowest rating of Poor: the Audi A4, Lexus ES 350, Lexus IS 250/

350 and Mercedes-Benz C-Class.

In what the institute called a first, the door of the VW CC was sheared off its hinges, raising the possibility that an occupant could be partly or completely ejected.

The institute's new small-offset test is unlike any that it, or the National Highway Traffic Safety Administration, has conducted before, although the federal safety administration has been considering such a test.

"We don't do this just to make it harder," said Adrian Lund, president of the insurance institute. "We do it because people are still dying in crashes."

He said the new test was an effort to answer this question: Why are some 10,000 people still dying each year in frontal crashes, despite the installation of air bags, widespread use of safety belts and high scores for most new cars in previous front-crash tests?

A 2009 institute study of newer vehicles that performed well in front crash tests found that small-overlap-type crashes accounted for 20 to 25 percent of fatalities, with similar findings for serious injuries.

Mr. Lund said that the main crush-zone structures are generally found in the middle 50 percent of the car -- an area struck in the previous frontal crash tests. But those structures do not typically extend to the car's outer edges, which means that in a small-offset crash a wheel can be forced back into the footwell, resulting in serious, debilitating leg and foot injuries.

The Volvo S60 had only a few inches of intrusion, the institute reported, because its reinforced upper rails and a steel cross member below the instrument panel helped to keep the car's "safety cage" intact. Since the late 1980s, Volvo has been performing its own small-overlap tests while developing new vehicles.

The Lexus IS suffered 10 times more intrusion, trapping the dummy's left foot and wedging the right foot beneath the brake pedal. In the Mercedes C-Class, the dummy's right foot was wedged beneath the brake pedal as the left front wheel was forced back.

The small-offset impact also causes the dummy to head toward the front windshield pillar, even as that pillar is pushed toward the dummy. In some cases, the restraint systems might not keep the dummy from hitting the pillar because the steering wheel, which contains the air bag, veers so far to the right that the dummy misses the bag.

Automakers' responses to the findings ranged from a low-key promise by Toyota to a more forceful pushback by Mercedes-Benz.

A Toyota statement about the performance of its Lexus models read, in part, "With this new test, the institute has raised the bar again, and we will respond to this challenge as we design new vehicles."

Mercedes responded by questioning the value of the test, saying, "As a leader in automotive safety, we have full confidence in the protection that the C-Class affords its occupants -- and less confidence in any test that doesn't reflect that."

The insurance institute chose models from luxury brands because they are generally the first to come to market with advanced safety features. The institute will next test 15 midsize, moderately priced cars like the Ford Fusion, Honda Accord and Volkswagen Passat.

It will take time for automakers to figure out how to design vehicles to do well on the new test without adding a lot of mass to vehicles, which manufacturers are trying to slim down to meet tough new fuel economy rules. But David Champion, senior director of Consumer Reports' automotive test center, said he thought that in five to 10 years all manufacturers would be able to get ratings of either Acceptable or Good, without adding a lot of cost to their models.

"This will become just another box they have to check -- must do well in I.I.H.S. small-overlap test -- which is going to be good for the consumer," he said.

FINAL IMPACT: The door of the Volkswagen CC was sheared off in the new test. (PHOTOGRAPH BY INSURANCE INSTITUTE FOR HIGHWAY SAFETY) **CHART:** Three Front Crash Tests Yield Different Results: In the United States, crash tests are conducted by the National Highway Traffic Safety Administration and the Insurance Institute for Highway Safety. N.H.T.S.A.'s full frontal test rates vehicles on how well they protect an average-size male driver and a small-stature female passenger using a system in which five stars is the best. The institute's tests now include offset impacts over either 40 percent of the front end (moderate overlap) or 25 percent (small overlap) and include an average-size male dummy in the driver's seat.

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The New York Times

THE BLOG

Automobiles; SECTAU

At Last, Maybach Is Priceless

By JONATHAN SCHULTZ

315 words

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Late Edition - Final

4

English

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THE word "discontinued" appeared next to the five bottom items on a price sheet issued recently by Mercedes-Benz USA for its 2013 vehicles. It was a jarring coda to the jumble of dollar signs, commas and digits -- many of them stretching to six figures -- that preceded it.

"Discontinued" summarized the fate of Maybach, the Weimar-era ultraluxury nameplate resuscitated by Daimler, Mercedes's parent, at the dawn of the 21st century in one of the most elaborate introductions in automotive history. (A Maybach 62 arrived in New York on the Queen Elizabeth 2, displayed in a glass box). The five Maybach models offered for 2012 -- the 57, 57S, 62, 62S and the \$1.38 million Landaulet -- would be the last of the Maybach line.

Daimler confirmed late in 2011 that its 10-year experiment with the Maybach was reaching its end, having cost the company \$1 billion, as sales languished at around 200 units a year rather than the 1,000 benchmarked initially by the company.

Final prices for the vehicles ranged from \$379,050 for the 57 to \$470,350 for the long-wheelbase 62S. (The Landaulet, with a fully retractable rear roof panel, was available by special order.) To clear its inventory, Mercedes-Benz USA this year offered rebates of up to \$100,000.

Far from abandoning the chauffeur-friendly segment in which the Maybach was intended to compete, particularly with Rolls-Royce and Bentley, Daimler has pinned its ultraluxury ambitions on the next generation of the S-Class, the flagship sedan from Mercedes-Benz.

An extended-wheelbase version of the S600, powered by the venerable Mercedes V-12 engine that also powered the Maybachs, is expected to be marketed as the S600 Pullman.

LEAVING IN STYLE: Daimler has pulled the plug on the Maybach. (PHOTOGRAPH BY MERCEDES-BENZ USA)

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The New York Times

BEHIND THE WHEEL /2012 BMW 528i XDRIVE

Automobiles; SECTAU

2 Fewer Cylinders, Not That You'll Notice

By CSABA CSERE

1,711 words

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Late Edition - Final

1

English

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WITH gasoline prices likely to remain over \$3 a gallon for some time, fuel economy is on the minds of most vehicle buyers. And with the government's Corporate Average Fuel Economy regulations scheduled to reach 54.5 m.p.g. by 2025, auto executives, including those whose cars are at the high end of the price scale, are also focused on squeezing more miles from every gallon.

In fact, the fuel economy challenge is probably tougher for luxury brands like BMW, Jaguar, Land Rover and Mercedes-Benz. Unlike the Cadillac division of General Motors, or the Audi, Bentley, Bugatti, Lamborghini and Porsche units of the Volkswagen Group, the stand-alone premium carmakers sell few of the small, efficient vehicles that would offset the thirstiness of their big, powerful luxury models -- at least in the United States.

For that reason, the latest fuel economy technologies are introduced most rapidly in these luxury models, which have price tags that can absorb the added cost of the advanced hardware. A perfect example of this trend is the 2012 BMW 528i.

The 5 Series is BMW's midsize model offering, introduced in its latest form as a 2011 model. It is available with a variety of engines, but the biggest seller has always been the version with the smallest displacement, known for at least two decades as the 525i or the 528i.

Under their hoods lay one of BMW's in-line 6-cylinder engines of 2.5 to 3 liters, all justly lauded for their ample thrust and silky smoothness. Smaller engines have generally been regarded as beneath the dignity of the 5 Series -- and most other BMWs -- sold in America.

This thinking goes out the window with the release of the 2012 528i, which is powered by a 2-liter engine having just 4 cylinders. It's an unusually small power plant for a car that in its basic rear-drive configuration weighs about 3,800 pounds -- and, with just a few checkmarks on the option list, can cost \$60,000.

There is but one motivation for this change: fuel efficiency. The window sticker on my test car, a 528i xDrive that weighed closer to 4,000 pounds, promised 22 miles per gallon in town and 32 on the highway, per the Environmental Protection Agency's rating.

That's a significant step up from the 18 city and 27 highway rating of the previous-generation 528i, which was powered by 3-liter 6-cylinder coupled to a 6-speed automatic transmission. (BMW's model designations no longer reflect the actual engine displacement, but are assigned according to their general horsepower levels).

Based on the E.P.A. ratings, much of that fuel economy improvement came from the switch to 8-speed automatics for the new 5 Series, with some of it a result of the smaller engine.

It's not hard to grasp that a small engine would consume less fuel than a big one, especially for drivers who have a lead foot. What is not as widely understood is that smaller engines are more efficient at every power level.

In other words, if it takes 25 horsepower to push the 528i down the highway at a steady 75 miles an hour, a 2-liter engine will use less fuel to generate those 25 horses than a 3-liter engine will. That's because engines are more efficient when they are working harder, and small engines are almost always working harder than big ones.

This is also why cars are getting more gear ratios in their transmissions -- to let their engines maintain lower r.p.m. levels at highway speeds. An engine producing 25 horsepower at 2,000 r.p.m. must work each cylinder harder than it would at 3,000 r.p.m. -- and that translates into lower fuel consumption.

There are drawbacks to such a strategy, though. Because a small, low-revving engine is already working pretty hard, there is little reserve power available when the driver floors the accelerator. An automatic transmission can downshift, of course, but if it has to kick down every time you ask for a bit more speed, the car will feel gutless and unsatisfying. In other words, not very BMW-like.

A solution chosen by BMW, and many other automakers, is turbocharging, which captures the energy in the engine's hot exhaust gases to spin a compressor that pumps extra air into the cylinders. If you force-feed a 2-liter engine the same amount of air and fuel that a 3-liter engine would consume, you get 3-liter power and then some. Yet under most circumstances, you still get the innate fuel efficiency of the 2-liter engine.

Turbochargers have been around for decades, but only in recent years have they realized the benefits of several modern technologies. Developments like direct fuel injection, variable valve timing and computerized engine controls work together to make small turbo engines a viable path to fuel efficiency.

In the 2012 528i, not only do you get the fuel economy improvements, you also get 240 horsepower at 5,000 r.p.m. and 255 pound-feet of torque at a low 1,250 r.p.m. Last year's 3-liter in-line 6 developed nearly the same power, but at a higher engine speed, 6,500 r.p.m. -- and it made less torque.

With the same or greater peak output coming at lower engine speeds, the 4-cylinder 528i is nearly half a second quicker to 60 m.p.h. than its 6-cylinder predecessor, according to BMW. In normal driving, the new 528 feels more energetic than you would expect for a two-ton car with a 2-liter engine. Acceleration from stoplights was strong and there was plenty of urge even at 80 m.p.h.

While there's no question that the 2012 528i delivers both better performance and higher fuel economy than its 6-cylinder predecessor, smooth operation and refined character are equally important in a luxury car.

In those areas, a critical driver will sense some rough spots.

For example, when the engine is cold, it idles at around 800 r.p.m. -- and throbs somewhat like a diesel. With two fewer cylinders, the engine's firing impulses are naturally farther apart, and the driver feels the difference. Once the engine warms up, though, the idle drops to 700 r.p.m. and the engine feels much smoother.

With the engine warm, however, the stop-start system engages, shutting off the engine at traffic lights. This feature saves fuel, especially in urban driving, but you instantly notice when the engine has been shut off. I would have expected BMW to apply some tuning magic to make this operation less apparent.

At 75 m.p.h. with the transmission in eighth gear, the 4-cylinder is revving at only about 2,100 r.p.m. and feels completely unobtrusive. But at a steady 50 m.p.h., also in eighth gear, the r.p.m. drops to 1,400, generating a slight drone that no 6-cylinder BMW ever produced.

Yet even at such low engine speeds acceleration is available with a push on the gas pedal, a benefit of the turbocharger's helping hand. Push the pedal farther and the transmission downshifts smoothly -- even when it must reach for a gear two, three or even five steps lower in response to the driver's call for maximum acceleration. The 8-speed automatic is almost telepathic in the way it anticipates your needs and selects the right gear.

On one highway run that averaged 74 m.p.h., the trip computer calculated 32 m.p.g. Over all, I averaged better than 25 m.p.g. in fairly typical suburban driving. That's outstanding for a lavishly equipped all-wheel-drive luxury sedan that delivers such brisk performance.

Other than the new 4-cylinder powertrain, the 2012 528i is little changed from last year. Some might say that it resembles the 7 and 3 Series sedans too much -- the same sausage, cut to a different length.

But unlike its awkward fifth-generation predecessor, the car is conventionally handsome in the husky and muscular way of a German soccer fullback.

The cabin is beautifully finished and fitted with many comfort and convenience features. But I was a bit taken aback when I noticed that despite my test car's \$61,125 sticker price, another \$15,000 in available options could have been added. And while this 5 Series is a couple of inches longer than its predecessor, interior space remains less than generous.

For those who still think of BMWs as primarily sport sedans, this 528i will not be particularly satisfying. While smooth, responsive and capable, it never pulls at its leash. Not much information makes it through the steering system to disturb -- or inform -- the driver. The ride is comfortable and well-controlled, but the size and weight of the car don't encourage one to toss it around.

Of course, with the exception of my test car's sport package, the 528i xDrive is the most workaday and least athletic version of the 5 Series. There are more entertaining variations with 6- and 8-cylinder engines, ranging from 300 horsepower up to the very sporting 560-horsepower M5, with appropriate upgrades in running gear.

For the majority of 5 Series buyers, however, the new powertrain is a great success, achieving about 20 percent better fuel economy than the fifth-generation model they might be trading in, with even better performance and only a few subtle losses of refinement.

Such downsized turbocharged engines are appearing in everything from Fords to Bentleys. Expect them under the hoods of the majority of cars and trucks sold in America within five years.

INSIDE TRACK: In most respects, less is more.

NAME GAME: A 2-liter 4-cylinder engine powers the 2012 528i, replacing the in-line 6 that has been BMW's hallmark. (AU1); SIPPER: The 4-cylinder 528i is BMW's least sporty 5 Series. (PHOTOGRAPHS BY BMW OF NORTH AMERICA)(AU4)

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THE BLOG

Automobiles; SECTAU

NV200 Taxi Poised to Do London Duty

By PHIL PATTON

374 words

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Late Edition - Final

4

English

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THE Nissan NV200 van, the same model chosen to be New York's Taxi of Tomorrow, will also enter service in London.

In its new livery, the NV200 seems instantly more dignified and solid than its yellow cousin. Call it a rolling testament to the power of black paint.

Nissan says the van, with sliding doors and seating for five, meets all requirements, however esoteric, laid down by London's transport office. Among these is a 25-foot turning radius that, like so many things British, is grounded in legend and custom, ostensibly deriving from the dimensions of the tight rotary at the entrance to the Savoy Hotel.

Though some advocates for disabled passengers in New York criticized the Nissan model for lacking a full-scale wheelchair ramp, advocacy groups in London have endorsed the new design, according to a news release from Nissan.

As in New York, Nissan plans a field test next year of purely electric versions of the taxi.

Unlike its American counterpart, the London cab uses a diesel power plant. The New York version will have a 2-liter 4-cylinder gasoline engine. Nissan says the 1.5-liter London engine will be 50 percent more fuel-efficient than the city's traditional black cabs.

In America, opposition to diesel emissions remains strong. The World Health Organization recently classified diesel fumes a carcinogen.

Nissan has long built diesel engines for the London taxis, and the company said it expected the predicted reductions in carbon emissions and improvements in fuel economy to win over the skeptics.

The new engine would enable Mayor Boris Johnson, whose administration has already updated the Routemaster double-decker bus, to present the new taxi as part of his air quality improvement program.

"Improving air quality in London is one of the most important challenges I face as mayor," Mr. Johnson said in the statement issued by Nissan. "I am absolutely delighted that manufacturers are stepping up to the plate and are responding to the challenge I set in my air quality strategy to reduce taxi emissions and improve efficiency."

PAINT IT BLACK: The Nissan NV200 London Taxi. (PHOTOGRAPH BY NISSAN NORTH AMERICA)

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Automobiles; SECTAU

Even the Look Is an Adventure

By JIM NASH

301 words

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2

English

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LIKE futuristic dream cars at auto shows, concept designs for travel trailers are created to be provocative. Among the many ideas that have been recently floated -- in one case, literally -- three stand out.

One of these, the Innotruck, presents almost a post-apocalyptic view of recreational travel. A second, the Thansadet, makes the trailer itself the source of adventure. Another, the Mehrzeller, would bury the industry's boxy design convention for good.

Designed by Luigi Colani, the Innotruck is the creation of a public-private partnership of Germany's Technische Universität München, Siemens A.G. and others. Ostensibly a semitrailer, it was designed to be "the world's biggest motor home," said Gernot Spiegelberg, the Siemens vice president and Munich professor who led the project.

The Innotruck's main segment, in the middle, is living quarters and a drive-by-wire cockpit. The driver sits in a needle nose that resembles the Concorde. Mr. Spiegelberg said one goal was to erase the interface between driver and vehicle so the two operate as one. A remote-controlled engine, transmission and wheels hook up to the middle section via a swiveling hitch. The third segment is a large trailer.

At the other end of the spectrum, the Thansadet by Cambo Design is only an intellectual exercise, a modest pull-behind trailer that doubles as a houseboat.

The Mehrzeller is as playful as a mound of soap bubbles. Christian Freiling, a principal in Nonstandard, an Austrian design firm, says all the geometric plates in the shell make it possible to mass-customize the trailer. Mr. Freiling says he has sold an unspecified number of Mehrzellers for about \$63,000 apiece.

MULTIFACETED: The Mehrzeller resembles a prop from "Clockwork Orange." (PHOTOGRAPH BY OLIVER WOLF)

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The New York Times

Automobiles; SECTAU

A Rivalry That Helped Turn A Pastime Into a Profession

By JOHN PEARLEY HUFFMAN

1,139 words

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Late Edition - Final

1

English

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McFarland, Calif.

FROM Santa Maria in Santa Barbara County to Carlsbad near San Diego, dragstrips once spread thick across Southern California. Lions in Wilmington, Orange County International in Irvine and tracks in Irwindale, San Gabriel and San Fernando were among the many that popped up and, just as often, suddenly disappeared.

Drag racing started its transformation into a professional sport in Southern California of the 1960s, growing beyond its stature as the counterculture alongside the counterculture; the supercharged, nitromethane-fed alternative to square and hippie living.

How all that began to change in 1970 is a turning point in "Snake & Mongoose," an independent film in the postproduction stage. As a moderately budgeted drag racing biography picture, "Snake & Mongoose" is similar in scope and ambition to 1983's "Heart Like A Wheel." And along with coming films like Ron Howard's look at Formula One, "Rush," it is part of what may be a minirevival of the racing-movie genre arriving in 2013.

Tracing the lives, friendship, rivalry and partnership of the drag racers Don Prudhomme and Tom McEwen -- known universally to fans as Snake and Mongoose -- the film spans the early 1960s through their showdown in the final round of the 1978 United States Nationals. Plans are for the film to appear in theaters next spring.

Spread across the end of the track at Famoso Raceway in this San Joaquin Valley outpost near Bakersfield on a bright day in early June, the 60-some film crew of "Snake & Mongoose" looked sparse by Hollywood studio standards. But they were shooting at a fast clip, using Famoso to double for strips around the country, and recording on Arri Alexa high-definition video cameras.

"He ought to give him the finger," exclaimed Prudhomme, bolting out of his chair. Now 71, he had been watching a scene where his younger self taunts McEwen after a 1970 funny car race when the inspiration struck.

"That's what I really did," he added, turning from the flat-screen monitor and heading to the pop-up canopy where the film's British director, Wayne Holloway, was working.

Moments later, Prudhomme was back, lowering himself back into the chair.

"They can't do that," he said with a shrug. "Snake & Mongoose" is the creation of Alan Paradise, an automotive journalist. In 2005, Mr. Paradise was working on a TV project about the 35th anniversary of the landmark sponsorship agreement that Prudhomme and McEwen forged with Mattel's Hot Wheels toy car brand when McEwen suggested he write a book about the racers.

"So I began to write this book," Mr. Paradise explained "and the more I wrote the more I found stories that were compelling. As I was looking at photos I could see this was cinematic.

"As I got to the end of the book, I began to write a screenplay," he said,

Mattel's 1970 sponsorship of Prudhomme and McEwen, and the subsequent marketing of their rivalry, changed drag racing. With a few exceptions, racecars, even at the highest levels of the sport, typically carried a driver's or team's names on its doors and some small stickers from automotive-related sponsors. With the success of the Hot Wheels sponsorship, mainstream product marketing poured into the sport.

Once-itinerant racers became professionals. Touring "match races" faded, giving way to the series of national events sanctioned by the National Hot Rod Association. "The Snake and Mongoose story has a lot of different twists," Mr. Paradise said. "There were tragedies on and off the track and this huge marketing idea. It changed how all sports were marketed. It's tough for people to understand that."

Besides Prudhomme and McEwen, the most prominent elements in Mattel's marketing were the fiberglass-body, Plymouth-branded funny cars they drove in 1970 -- Prudhomme's yellow Barracuda and McEwen's red Duster. Reproduced as Hot Wheels toys, the flip-top cars became instant preteen icons, and the "Mongoose and Snake Drag Race Set," with twin loops and pop out drag chutes, was a toy for which a 9-year old would trade his Schwinn Sting-Ray.

For this grown boy, the sight of the actual yellow 1970 Snake funny car on the movie set was dazzling. Brought out of Prudhomme's collection along with his matching 1967 Dodge D-700 ramp truck that was used to haul it, it was one of the dozen-or-so vintage racers recruited to the film. A reproduction of McEwen's 1970 Duster sat atop the 1969 Dodge D-700 once used by the Mongoose team (and now owned by Prudhomme). Prudhomme's Army-sponsored Plymouth Arrow Funny Car from the mid-70s was also there next to McEwen's English Leather 1978 Corvette.

Vintage racecars are, however, irreplaceable and convincingly restaging 200 mile-an-hour crashes is nearly impossible. So digitally enhanced historical footage is used in the film.

"Primarily it's N.H.R.A.-controlled footage," Stephen Nemeth, the producer, said. "With bits and pieces from other libraries."

Jesse Williams from ABC's "Grey's Anatomy" portrays Prudhomme and is a ringer for the drag racer. Richard Blake, who plays McEwen, seems to have the Mongoose's pugnacity. Also in the cast are Noah Wyle as a Mattel executive; Ian Ziering as the engine builder Keith Black; and John Heard as Wally Parks, the president of N.H.R.A.

Spreading out from its California roots, drag racing is today an entrenched part of motor sports culture with a high-dollar professional gloss. The N.H.R.A., the sport's dominant organizer, points out that among racing series, it is second only to Nascar in "attendance, fan appeal, and sponsorship commitment."

That's a distant second, though. According to ESPN, which broadcasts the 23 events of N.H.R.A.'s Full Throttle Drag Racing Series, the TV audience is only about one-eighth the size of the Nascar Sprint Cup series.

So there is no guarantee the film will live up to the Snake and Mongoose legend, much less the fantasies of thousands of car crazed adults who once played, or still play, with the toys.

EARLY DAYS: The rivalry of Tom McEwen, far left, and Don Prudhomme helped popularize drag racing. Above, their Plymouth funny cars, in the 1971 Mattel Hot Wheels livery of the Snake and the Mongoose. (PHOTOGRAPHS COURTESY OF MOTORBOOKS/"SNAKE VS. MONGOOSE")(AU1); (PHOTOGRAPH BY MATTEL, INC.); TOUCHSTONES: The body shell of a restored funny car flipped up for maintenance during filming. Left, the Hot Wheels toys included dragsters. (PHOTOGRAPH BY SCOTT OLDHAM/EDMUNDS.COM); HEYDAY: Snake and Mongoose on the cover of Car Craft magazine in 1970. (PHOTOGRAPH BY CAR CRAFT MAGAZINE)(AU11)

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The New York Times

Business/Financial Desk; SECTB

After Recalls And Woes, Toyota Posts Huge Profit

By HIROKO TABUCHI; Hisako Ueno contributed reporting.

1,037 words

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Late Edition - Final

1

English

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TOKYO -- Toyota roared back to a hefty profit in the first quarter and said on Friday that it intended to build a record-breaking 9.76 million cars this year, leading a recovery by Japanese automakers after a year of natural disasters and a punishingly strong currency.

Though the strong yen continues to weigh on the bottom lines of Japanese exporters, many other things are going right for Japanese automakers. Supply chains that were severed are now up and running, and manufacturers like Toyota and Honda, racing to meet pent-up demand, are fast regaining lost ground in profitable markets like the United States. Japanese government incentives on fuel-efficient cars have revived markets at home.

Whether Japanese automakers can keep up the momentum after these tailwinds dissipate is another question, analysts said.

"They're at the peak of their momentum, but for quite transient reasons," said Takaki Nakanishi, an auto analyst at Bank of AmericaMerrill Lynch in Tokyo. "It's not party time. Japanese automakers still face tough conditions and competition, and a slowdown is likely in the second half."

For now, however, Japan's top three automakers -- Toyota, Honda and Nissan -- can breathe a sigh of relief after weathering the disasters of 2011, when an earthquake and tsunami wreaked havoc at car and parts factories in Japan, while widespread flooding in the manufacturing hub of Thailand paralyzed production lines. Before that, the global financial crisis -- and for Toyota, huge recalls -- made it a difficult few years for Japan's carmakers.

Toyota said net profit for the April-to-June quarter rose to 290.3 billion yen (\$3.71 billion) from 1.1 billion yen in the period a year earlier, after the number of vehicles it sold nearly doubled.

The brisk sales growth prompted the carmaker to raise its global sales target by 180,000 cars, to 9.76 million cars this year, which would be a 23 percent increase from 7.95 million cars in 2011.

Including all its trucks and light vehicles, Toyota now expects to produce 10.05 million vehicles this year, which would make it the first automaker to break through the 10-million mark. The new targets could allow Toyota to win back its standing as the world's largest automaker; in the first six months of 2012, Toyota has been leading General Motors by 300,000 units.

Honda said on Tuesday that its quarterly profit rose as well, quadrupling to 131.7 billion yen. But Nissan said on July 26 that its net profit had slipped 15 percent, to 72.3 billion yen, from 85 billion yen a year earlier, partly because it was the least affected of Japan's Big Three in the disasters last year and had the least ground to gain back.

Reflecting uncertainties ahead, all three companies have modest forecasts for the year. Despite the strong first-quarter showing, Toyota said it would leave its annual profit forecast unchanged at 760 billion yen on 22 trillion yen in sales.

"The latest numbers are not necessarily reflective of our true strength," Takahiko Ijichi, senior managing officer, said in Tokyo. Continued turmoil in Europe, a slowdown in emerging markets like China and a still-strong yen clouded Toyota's outlook, he said. "There are various risks, so we feel it is necessary to remain cautious," Mr. Ijichi said.

Still, the robust earnings and global clout of Japan's automakers are providing some comfort to a country that has seen its consumer electronics companies slammed by foreign competition.

"At a time when other manufacturers are struggling, like Sharp, Toshiba and Sony, the automakers are giving markets relief," said Koichi Sugimoto, an analyst based in Tokyo for BNP Paribas.

In some ways, swift recovery in the tsunami's aftermath has proved the resilience of Japanese manufacturing, he said. Automakers here made concerted efforts to patch up supply lines, dispatching workers to crucial parts makers to help them start production ahead of schedule.

And after four years in the doldrums, the North American market is finally rebounding, helping to pick up some of the slack posed by a slowdown in some emerging markets. Honda, in particular, is set to release a revamped version of its popular Accord sedan in September, which should improve sales. Nissan too, introduced a new Altima sedan last month.

United States sales at all three automakers accelerated in July, with Honda posting an increase of 45 percent from a year earlier. Sales rose 26 percent at Toyota, and 16 percent at Nissan.

Japanese automakers face an especially welcome opening in the United States market at a time when their rivals in South Korea, led by Hyundai, have no imminent new models. Hyundai made the largest gains in the United States as Japanese automakers retrenched last year.

"The Koreans have really narrowed the gap with Japanese automakers in the U.S. market, but this year, there's a big chance for the Japanese," said Hiroshi Kuriu, a senior investment analyst at Manulife Asset Management. "There was nothing but bad luck for Japanese automakers over the past few years, but they're finally on an upswing."

The Japanese are also fighting to reassert their dominance in fuel-efficient cars, after a flurry of gas-electric hybrid and fully electric challengers from rivals like Ford and General Motors were introduced. Moreover, two factors have taken the momentum away from models like the Prius, Toyota's flagship hybrid car, experts say. Advances in the fuel efficiency of conventional gasoline engine cars, and relatively stable fuel prices make Prius's price premium harder to justify.

Mr. Ijichi of Toyota said the company had few options but to shore up profit by cutting costs further, selling a better mix of more expensive cars and in some cases, moving more production overseas.

James B. Stewart, whose Common Sense column normally appears on this page, is on vacation.

The Toyota auto terminal at the Port of Portland in Oregon is prepared for a big increase in cars from Japan, including those made by Toyota, Honda and Nissan. (PHOTOGRAPH BY RICK BOWMER/ASSOCIATED PRESS) (B6)

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The New York Times

Business/Financial Desk; SECTB

Strong Domestic Sales Help Lift Chrysler's Results

By MARY M. CHAPMAN and BILL VLASIC

692 words

31 July 2012

The New York Times

NYTF

Late Edition - Final

3

English

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DETROIT -- Chrysler, though it is majority owned by an Italian automaker, is not burdened by the anemic European economy.

That distinction from its Detroit rivals, as well as a competitive lineup of cars, drove the automaker to earn net income of \$436 million in the second quarter, compared with a \$370 million loss for the same quarter last year.

Powered by a 32 percent increase in domestic retail sales, revenue rose 23 percent in the quarter that ended June 30, to \$16.8 billion from \$13.7 billion a year ago.

"Our results reflect a tireless pursuit by the people of Chrysler Group to deliver the very best quality and value across our brands," said Sergio Marchionne, the chief executive of both Chrysler and its parent company, Fiat, in a statement on Monday. "Together, we are always striving to achieve more, to learn from the past and build upon our successes."

Just three years ago, Chrysler was on the brink of collapse. Out of cash, with consumers eschewing its lackluster cars and trucks, the company was forced to file for bankruptcy protection and seek a government bailout. Fiat took a minority stake in Chrysler after the bankruptcy and has gradually increased its ownership.

Since emerging from bankruptcy, Chrysler has overhauled its lineup and rebuilt its reputation as a bold and innovative automaker. Sales and profits have followed.

"I think the company is pretty well positioned," said Rebecca Lindland, an analyst for the consulting firm IHS. "It's made some systemic operational improvement, where they've been able to turn themselves into a lean, mean fighting machine in terms of productivity."

The company said that its second-quarter market share in the United States increased to 11.2 percent, up from 10.6 percent a year ago.

"It looks like the reality of Chrysler's year-over-year sales results is setting in," said Jessica Caldwell, an analyst at the research organization Edmunds.com, in a statement. "Still, even though Chrysler's success in the last 18 months is commendable, it isn't strong enough in the long term to carry its parent company, Fiat, which is running into some real problems with the European economic crisis."

Fiat is scheduled to release its second-quarter earnings on Tuesday, with results expected to be dismal amid a sharp decline in new car sales in some European countries, including Fiat's home base, Italy.

In an e-mail Monday to Chrysler employees, Mr. Marchionne praised the "humble confidence" of Chrysler workers and their efforts to rebuild the company's product lineup after the government bailout. "Living through a near-death experience has revealed the depth of courage that exists within our house," he said.

But he also warned of complacency, noting that Chrysler now faces greater expectations and the additional challenge of further integrating its operations with Fiat. "This is no time to cut corners, no time to become undisciplined in our execution, no time to forget how difficult it was to claw our way back to viability," Mr. Marchionne wrote.

Chrysler's heavy exposure to the United States could hobble its future growth, according to analysts. "On a sustainability front, one weakness is that because the company is not geographically diverse, it is missing opportunities in emerging markets," Ms. Lindland said.

Chrysler reported \$12.1 billion in cash, up from \$11.3 billion at the end of the first quarter and \$10.2 billion a year earlier. It expects revenue for the year to reach approximately \$65 billion.

Excluding a \$551 million charge in the 2011 quarter for repaying government loans, Chrysler said its income was up 141 percent.

Worldwide vehicle shipments totaled 630,000 in the quarter, up 22 percent from 514,000 a year ago and in line with Chrysler's full-year goal. Worldwide vehicle sales totaled 582,000, up 20 percent from a year ago.

A Dodge Dart being assembled in Belvidere, Ill. Chrysler's domestic retail sales rose 23 percent in the second quarter. (PHOTOGRAPH BY DANIEL ACKER/BLOOMBERG NEWS)

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The New York Times

THE BLOG

Automobiles; SECTAU

Tom Cruise Car Is for Sale

By JOHN R. QUAIN

268 words

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Late Edition - Final

4

English

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THE real star of the 1983 film "Risky Business," as every car fan knows, isn't Tom Cruise or Rebecca De Mornay. It is the shimmering Porsche 928. On Tuesday, fans will have a chance to buy Mr. Cruise's old ride at an auction just north of Los Angeles.

In the movies, nothing is what it seems, and that applies to the 928, of which there were four used in the movie, according to Profiles in History, the auction house in Calabasas Hills, Calif., that is selling the car.

Technically, there were six, if you count another model used for promotional purposes and one used for sound effects.

The four main 928s included a 1981 model with an automatic transmission used in many exterior shots; a 5-speed 1978 model used for some interior shots; a 1979 automatic; and a 5-speed manual 1979 model, which is the one being auctioned. The provenance of this particular vehicle was vetted by a fan, Lewis Johnsen, who found and bought the car and recorded his efforts in a documentary, "The Quest for RB 928."

While a 928 in good condition can be bought for about \$15,000, the "Risky Business" model, which has 102,755 miles on it, is expected to sell for \$40,000 to \$60,000, Profiles in History says.

The 928 dunked in Lake Michigan, by the way, was a disemboweled "dump car" (the 1979 automatic referred to previously).

JOHN R. QUAIN

A "Risky Business" Porsche 928. (PHOTOGRAPH BY PROFILES IN HISTORY)

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The New York Times

THE BLOG

Automobiles; SECTAU

Charging An E.V., Sans Wires

By JIM MOTAVALLI

358 words

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4

English

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FOR a company trying to put wireless charging devices on electric cars, road trips can be interesting.

WiTricity is the company, based near Boston, that has partnerships with Audi, Mitsubishi and Toyota to put wireless charging on electric cars, possibly as early as the 2015 model year. WiTricity licenses technology, developed at M.I.T., to transfer power between a pair of copper coils resonating at the same electromagnetic frequency.

On Tuesday, Eric Giler, the president of WiTricity, and two associates, drove a BMW ActiveE electric car from Massachusetts to a reporter's home in Fairfield, Conn., a 150-mile odyssey requiring three charging stops at a Chili's Grill and Bar, a Panera Bread and a BMW dealer.

Mr. Giler talked about the magical principles of wireless resonant charging as he held a charging pad on one side of his head and a glowing light on the other. "What I'm doing is 100 times safer than making a cellphone call," he said.

For the demonstration, he placed a charging pad under the car, connected to house current, and three halogen lights on the roof of the car. The ActiveE has a WiTricity receiver mounted under the trunk, and when the system was connected, the halogen lights turned on.

The lights continued to shine when Mr. Giler moved the charging pad out of close alignment. "It makes a more dramatic visual demonstration than simply charging the car," Mr. Giler said.

Mr. Giler estimates WiTricity's technology will cost \$2,500 to \$3,000.

Wireless charging is not as efficient as plugging directly into the car. Mr. Giler claimed 98.5 percent efficiency for his lighting demonstration, but the full footprint of charging a car involved losses. He said that WiTricity's system, from end to end, should be more than 90 percent efficient.

For potential customers worried about the health risks of magnetic fields, Mr. Giler said the field was "a millionth the intensity of an M.R.I."

CONNECTED: Eric Giler using his head to show off the system. (PHOTOGRAPH BY JIM MOTAVALLI)

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The New York Times

HANDLEBARS

Automobiles; SECTAU

Unremarkable, in a Nice Way

By ROY FURCHGOTT

1,249 words

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Late Edition - Final

1

English

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Harpers Ferry, W.Va.

IT is far too easy to underappreciate the Suzuki V-Strom 650 Adventure.

With its plain black-on-black paint scheme, angular luggage cases and generally utilitarian looks, it is tempting to describe the bike in wholly uninspiring terms -- practical and sensible, or perhaps versatile. It's the kind of motorcycle you might imagine appealing to Amish sensibilities -- except during Rumspringa when the teenagers would hanker for candy-colored, chrome-cladded cruisers.

Since its introduction a decade ago with a 1,000 cc model -- followed a year later by a 650 cc model -- the V-Strom line has built a devoted following around the world. The 650, known of course as the Wee-Strom, outsells the 1,000 cc version two-to-one, and not just among the Amish.

The 2012 Adventure version of the V-Strom 650 arrives in what may be the hottest slice of the motorcycle market, the adventure-touring category. These dual-purpose bikes -- set up for long-distance highway rides but ready to keep going when the road ends -- have outpaced the broader market in United States sales. BMW's venerable GS models, which defined adventure-touring even before the class had a catchall name, are that brand's perennial best sellers globally.

The V-Strom's enduring popularity gave Suzuki little reason to tinker, and there have been no major changes in design since its release. But that changed for 2012, as Suzuki released an update that some longtime fans thought radical. Not just a face-lift (well, that too), but a Wee-Strom with a new engine, suspension, electronics and other alterations that had some fans fretting that Suzuki was messing with perfection.

Don't worry: Suzuki has made some significant changes, but restrained itself to fractional, finely chosen alterations.

The changes begin with a new engine borrowed from the SV 650 Gladius, which is an updated version of the liquid-cooled 90-degree V-twin design that has always powered V-Stroms. While the new engine's 65 horsepower represents an increase of only one or two horsepower, the torque output has increased from the first twist of the throttle through the middle of the r.p.m. range.

Suzuki claims a 10 percent improvement in gas mileage. In vigorous riding on a mix of highway and rolling back roads here, I averaged 42 m.p.g. over about 1,000 miles.

The new frame is very similar to the past version, except that the wheelbase is 0.2 inches longer. The more significant frame change is that the attachment points for aftermarket gear have been moved, meaning that accessories purchased for a first-generation V-Strom will stay with it when the time comes to trade up to a newer model.

The frame revisions were required, in part, by the svelte new body styling, a much needed improvement. The earlier V-Strom was the kind of ugly that if it were a baby, you'd consider leaving it in a basket on an orphanage doorstep.

The new bodywork is not only slimmer, it is also free of the garish stickers that made the old V-Strom look as if it were auditioning to become a Power Ranger. The Adventure comes in all black for \$9,799 (not including a shipping charge of about \$300). For comparison, the standard V-Strom 650 -- the model without the luggage cases or engine protection bars -- starts at \$8,229.

The slimmed profile was shaped in a wind tunnel to address a couple of complaints. One was that engine heat gushed over a rider's legs. The redesign may be an improvement, but you still won't need a heated seat; in some conditions warmth creeps around to toast the back of your thighs.

The most common complaint with the previous model was the wind buffeting at helmet level, which led to a thriving aftermarket in R.V.-size windscreens. The new V-Strom touring screen did quiet the roar for me, but only in its highest position. If you are over 6 feet tall and sit upright, you may want to look into that Winnebago windshield.

The V-Strom is suitably long-legged for adventuring onto unpaved surfaces, with generous suspension travel of 6.3 inches at the rear (a 0.4-inch increase over the previous model) and 5.9 inches in front; the ground clearance is 6.9 inches, a good thing on rocky paths. The 19-inch front wheel is sized for the dirt, but is just as good for negotiating Baltimore city potholes, which register somewhere between Beirut bomb craters and the lunar surface.

The oil cooler has been moved to a less vulnerable spot, better for off-road riding, but the oil filter still hangs low, daring sticks and rocks to puncture it.

But even with its capable suspension and an Adventure nameplate, the V-Strom is not exactly a dirt-track demon. It can ably handle surfaces like fire roads and gravel pathways, but I didn't feel much more confident on them than I would have on a standard bike.

Not that the Adventure's all-road ergonomics are just for show: with my legs tucked in well behind the fairing, the upright seating position was comfortable for a ride that mixed six hours of Appalachian back roads with a three-hour haul on the Interstate. It's a rather tall 33-inch standard seat height, which would usually be a challenge for my 32-inch inseam, but thanks to a narrow saddle I was nearly able to put my feet flat on the ground at stoplights.

At 519 pounds fully fueled, the Adventure is not exactly a lightweight. That's only about 40 pounds lighter than the power-lifter BMW R 1200 GS, despite having lost some weight through a half-gallon reduction in gas tank size.

But it wears its bulk lightly. The steering is delightfully predictable. The engine provides a smooth pull that isn't exactly neck-snapping (it barely seems coat-flapping), but the performance is deceptive. I often thought I was poking along until the speedometer told me otherwise.

Braking comes from twin discs in front and a single disc in back, with antilock brakes standard. (Another hint that these bikes are only secondarily off-road machines is that the antilock system can't be turned off). The brakes have ample, if not impressive, stopping power, and the antilock system worked well enough to save me from some scrapes when stopping short in the rain.

It is easily the most relaxing bike I've been on.

I do have some quibbles. For one, the exhaust note at lower r.p.m. has the putt-putt quality of an irritated lawn mower. And some of the factory options seem too costly -- heated grips are \$350, although I would have gladly given that to have them on a 50-degree springtime ride. I might have been happy with the \$77 hand guards, which should be standard; making them an option seemed a little cheap.

Still, it's a bit hard to complain about the pricing when the bike is such a bargain. Frugality. Isn't that an Amish virtue?

COMPETENT: The Suzuki V-Strom 650 Adventure is well suited to poor road surfaces. (AU1); CAPABLE: Suzuki's new allroad bike, about \$10,000. (PHOTOGRAPHS BY AMERICAN SUZUKI MOTOR) (AU5)

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The New York Times

COLLECTING

Automobiles; SECTAU

The Car Changes But the Name Remains the Same

By JIM KOSCS

1,655 words

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NYTF

Late Edition - Final

1

English

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IT is entirely possible that young shoppers poking around Dodge showrooms for a view of the brand's just-arriving 2013 compact sedans will have no idea of the half-century history behind the car's nameplate.

Still, the automaker felt it had sound reasons to apply the Dart name, which it had not used in three decades, to this all-important model. The new Dart drapes a sharply chiseled body over a chassis shared with the Alfa Romeo division of Fiat, Chrysler's Italian parent.

"Dart resonated well with younger and older potential compact-car buyers," a Chrysler spokeswoman, Kathy Graham, wrote in an e-mail. Older customers, she added, remembered the Dart "as a reliable car at a good value, and as one of the first value-oriented performance cars." To younger ones, the name suggested "aerodynamics and precision."

The company's use of the Dart name traces back to a show car done by its innovative design chief, Virgil Exner, for 1956. A sleek 22-foot schooner of a machine with a clean, curvaceous figure crowned by soaring tail fins, the Chrysler Dart was fabricated by Ghia, the Italian coachbuilder. It existed for just one year; a styling makeover for the 1957 auto show season pared down the fins, and it was renamed the Diablo.

Dodge first used the Dart badge on a line of large cars for 1960-61, which included the Seneca, Pioneer and Phoenix. The name shifted to a midsize series with rather peculiar styling for 1962.

The Dart most often remembered today, however, is the compact model built from 1963-76 and best known for its affordability and durability.

Introduced as a smoothly styled replacement for the Lancer, the new Dart was built on the light but strong unibody chassis of its slightly smaller corporate cousin, the Plymouth Valiant.

Hitting a sweet spot between the period's compact and midsize models was a Dart selling point. A variety of sedans, coupes, convertibles, station wagons -- even tire-smoking muscle cars -- gave the Dart broad enough appeal to sell some 3.7 million cars over 13 years.

Scott Sigethy fits one of the age groups at which Dodge is aiming the new Dart -- he was born in 1974 -- but he prefers the two Darts he already owns. One is the 1975 sedan that his grandfather bought new after closing his butcher shop in Jersey City. The other is a 1974 model Mr. Sigethy bought more recently near his North Carolina home -- and that he later discovered had been built on the day he was born.

Getting his grandfather's Dart when he was 22 provided Mr. Sigethy with daily transportation and a hobby.

"I took auto shop classes and bought some tools from Sears so I could do my own maintenance and repairs," he said in a telephone interview. Dapper in its Silver Cloud paint and black vinyl roof, Mr. Sigethy's well-preserved '75 model epitomizes the ethos of "economy with dignity" that inspired loyalty to the Darts of that era. The car, which sold new for \$4,297, seems meagerly equipped by today's standards, with an automatic transmission, power steering and split bench front seat among its few options; the car lacks air-conditioning and power brakes. Mr. Sigethy installed a larger carburetor to give the 225-cubic-inch, 6-cylinder engine a bit more pep.

Inherently solid engineering made the early Dart a good candidate for wringing out more performance, despite its original mission as an economy model. In fact, the old version dueled with Alfa Romeos on racetracks -- a curious twist, given that the 2013 Dart's underpinnings came from the Italian brand.

In 1966, an Alfa Romeo GTA won the inaugural race of the Trans American Sedan Championship, or Trans-Am for short, at the Sebring racetrack in Florida. A white Dart driven by Bob Tullius finished second and won the class for cars with engines over 2 liters displacement. Tullius, perhaps best remembered by racing enthusiasts for the Group 44 Racing Triumphs and Jaguars, also piloted the Dart to victory in a 12-hour race at Marlboro Motor Raceway in Maryland.

"In those days, according to the rules, the cars weren't much beyond stock," Tullius said from his Florida home. "The Dart was a good, strong street car. We tweaked the engine, gutted the interior, installed a roll bar, changed springs and shocks, put on better wheels. That was about it."

Most Dart customers, however, chose the car for the same workaday qualities that once made it Consumer Reports magazine's top choice among compacts: a laudable mix of value, room, quiet engines, comfortable ride and, applying a term popularized by the Dodge Brothers in the 1920s, "dependability." In its 1967 and 1972 annual car wrap-ups, for example, Consumer Reports confirmed a "better than average" repair record for the Dart.

The reputation for durability stemmed in large part from an in-line 6-cylinder engine that powered about two-thirds of all Darts sold, including Mr. Sigethy's silver sedan. The cylinder block's 30-degree tilt toward the passenger side -- the source of the engine's Slant Six nickname -- let designers specify a lower hood line, and it made room for efficient fuel and exhaust systems.

Andy Wittenborn of Briarcliff Manor, N.Y., can vouch for the Dart's sturdiness. An auto repair shop he ran for 25 years specialized in Darts and Valiants.

"I should have gotten into more profitable work," he joked in a phone interview.

His wife's everyday car is a 1972 Dart Custom sedan bought 20 years ago with 100,000 miles on the odometer. The car, with a 318 cubic-inch V-8 engine, now has over 300,000.

"She tells people, 'I'll drive it as long as he can fix it,'" Mr. Wittenborn said.

Dodge deftly adapted the Dart to changing times and consumer trends. Tasteful redesigns on the same capable chassis every few years, along with a steady stream of new model variations, helped keep the car fresh and contemporary. A sporty GT model, with 6-cylinder or V-8 power, offered bucket seats and special trim, while the 1967-69 GTS gave the brand another muscle car entry during the heyday of that trend.

In 1968, a 275-horsepower 340-cubic-inch V-8 made the Dart GTS convertible a speedy mount for chasing -- or eluding -- bad guys in the "Mannix" TV series.

Played by Mike Connors, the tough-guy private eye Joe Mannix regularly engaged in high-speed chases on twisty mountain roads around Los Angeles. A Chrysler product placement, the Dart received a dark green paint job and light customization by the famed custom-car builder George Barris. "I've owned about 50 collector cars, but this is by far the coolest one," said the current owner of the celebrity Dart, C. Van Tune, who was formerly the editor of Motor Trend magazine. The car had been restored by the previous owner with help from a former Barris employee after it was found languishing at a California park ranger's station.

Mr. Tune says he drives the Dart about once a month, including occasional 100-mile trips into Los Angeles from his home. "A lot of people recognize it as the 'Mannix' car, probably thanks to the DVD sets out now," he said.

By 1970, the most popular Dart model, by a large margin, was a two-door hardtop called the Swinger. A version with the 340 V-8 was a fast muscle-car bargain.

Clever engineering, appealing styling and savvy marketing gave the Dart its best sales years in the early 1970s, even against growing domestic and import competition. Grafting the Dart's front-end sheet metal onto Plymouth's Valiant-based Duster coupe gave Dodge the 1971 Demon. Dodge changed the Demon's name to Dart Sport for 1973.

An optional fold-down rear seat and hand-cranked sunroof made the Dart Sport a "convertible" -- Dodge marketing parlance for a three-cars-in-one coupe that offered, in theory at least, the fresh-air benefits of a

convertible and the utility of a small station wagon. A special edition called the Hang 10 flaunted a surfing theme and was, one hopes, the only production car ever to come from the factory with orange shag carpeting.

The "uncommon luxury" Dodge promoted in the 1975 Dart SE meant an automatic transmission, velour upholstery and upgraded interior trim, a vinyl roof and hubcaps matched to the body color.

Two low-volume models provided curious bookends in the Dart's final year. Reduced vehicle weight and powertrain tweaks gave the Slant Six-powered 1976 Dart Lite an advertised mileage rating of 36 m.p.g. on the highway. Adjustments to the Environmental Protection Agency's test would surely lower that number in today's terms, but it was still impressive for a car of the Dart Sport's size and room.

Car and Driver, testing American cars for highest speeds, took the V-8-powered Dart 360 Sport up to 121 m.p.h. Only the top Chevrolet Corvette, at about twice the cost, was faster, at 124 m.p.h. The Pontiac Firebird Trans-Am with a 455 cubic-inch V-8 was 4 m.p.h. behind the Dart.

The Dart's replacement, the Aspen, also arrived for 1976, and Dart production continued in Brazil until 1981.

CLOSE-UP: Above, a 1965 Dart GT. Left, Mike Connors, who played the TV detective Mannix, with the '68 GTS convertible he drove in the series. (PHOTOGRAPHS BY THE BROCHURE COLLECTION OF STEVE HAYES; C. VAN TUNE)(AU1); 1956 Chrysler Dart design study. (PHOTOGRAPH BY VELOCE PUBLISHING); 1973 Swinger Special.; 1962 440.; 1961 Seneca.; 1973 340 Sport. (PHOTOGRAPHS FROM THE BROCHURE COLLECTION OF STEVE HAYES)(AU2)

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The New York Times

THE BLOG

Automobiles; SECTAU

Honda Accord to Get Upgraded Telematics

By JOHN R. QUAIN

271 words

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4

English

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HONDA announced on Wednesday that it would join, however belatedly, the connected-car race, pledging a new HondaLink telematics system for the Honda Accord. The upgraded system will be offered in the sedan this fall.

Like systems offered by nearly every major automaker, the more robust HondaLink relies on the Android and iPhone handsets of owners to feed information from the Web to an in-dash display. Honda said drivers would be able to stream Internet radio stations, download audiobooks, view aggregated ratings for nearby restaurants and have Facebook feeds read aloud.

To manage and update these different sources, HondaLink will rely on the software and services of Aha, a content packager for mobile platforms. Honda consequently does not have to aggregate and monitor various sources or continually update software in the dashboard. Instead, Aha manages this burden on the smartphone side using its own servers. The Web-enabled features offered by HondaLink will reside on the same touch-screen interface as the radio and navigation features.

Though issues of driver distraction are invariably raised, designers of these systems argue that integrated services like HondaLink exist to prevent drivers from picking up their smartphones behind the wheel.

With HondaLink, for example, drivers download the free iPhone or Android app to their phones and select favorite stations on the phone. When it is connected to HondaLink in the car, those presets automatically appear onscreen without the user having to fumble with the handset.

Bundling and serving Web-enabled features has earned Aha other customers, including Subaru and Pioneer.

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The New York Times

Automobiles; SECTAU

Crash of Rare Ferrari Under Investigation

By JERRY GARRETT; Eric Pfanner contributed reporting from Paris.

361 words

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Late Edition - Final

5

English

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FRENCH authorities are continuing to investigate a July 6 crash involving a valuable 1962 Ferrari 250 GTO and a Hyundai minivan on a highway near Blois, according to a spokesman for the police.

The Ferrari was en route to Le Mans with other GTOs, participating in the 250 GTO 50th Anniversary Tour, when it collided with the Hyundai, which was not part of the tour.

Ludovic Sorin of the gendarmerie in the town of Onzain, near Blois, said in a telephone interview that as of Wednesday no charges had been filed and no citations had been issued to either driver. If the investigation finds someone at fault, he added, the case will be given to the prosecutor. Mr. Sorin was not available later in the week to provide further details.

Mr. Sorin also clarified some aspects that had been erroneously reported in various news accounts. He said that although the occupants of both cars were treated at a local hospital, no one was seriously injured and no one remained hospitalized. Christopher and Ann Cox of Chapel Hill, N.C., own the car, and Mr. Cox was driving at the time; Mrs. Cox was the passenger.

Mr. Sorin also disputed reports that the Ferrari had been demolished, which prompted media speculation that the crash was the most costly auto accident ever. The GTO had moderate front-end damage, he said, and the Hyundai was hit in one side. That explanation would be consistent with initial reports in French newspapers, based on police statements, that the crash happened when one of the cars -- it is unclear which -- turned left in front of the other.

There was no indication that excessive speed was involved, Mr. Sorin said. He added that insurance companies were also looking into the crash.

Some accounts estimated the GTO's value at \$30 million to \$40 million, based on a Bloomberg report of a \$35 million private sale in May of another 250 GTO.

GTO: The Ferrari that crashed, third from front, on display in January. (PHOTOGRAPH BY MARK ELIAS/BLOOMBERG NEWS)

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The New York Times

BEHIND THE WHEEL MERCEDES-BENZ E550 CABRIOLET

Automobiles; SECTAU

Honeymoon Package: Bride, Benz and Sunshine

By ROBERT PEELE

2,021 words

15 July 2012

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Late Edition - Final

1

English

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SAN FRANCISCO

FOR several years my daily driver has been the F train, and it's been good to me. Indeed, it's where I met my wife, Sarah, a twist of fate that led us, in a roundabout way, to the San Francisco airport, where we stood outside the terminal one Sunday last September, waiting for the car we'd be driving on our honeymoon.

I'd managed to keep the car a secret, so this was the big reveal. It appeared from nowhere, as if a wand had been waved: a steel-gray Mercedes-Benz E550 Cabriolet, practically glowing among the dusty airport vans and rental-car shuttles. We stood by our suitcases, gaping like two rubes at a state fair.

From the moment I took the wheel, I knew I was out of my depth. How do you assess a thing so far removed from your everyday experience? Our last rental was a Kia Rio, for Pete's sake. Besides, I'd be test-driving this vehicle on the Pacific Coast Highway, in pharmaceutical-grade sunshine, on my honeymoon. These are not real-world driving conditions.

Still, I felt some obligation to remain objective about the car. So I came up with a methodology: every time something wasn't perfectly awesome, I wrote it down. What follows is a diary of petty grievances, any of which could be filed under "Problems, First World."

DAY 1 We acquaint ourselves with the E-Class cabriolet. Introduced for the 2011 model year, it replaced the CLK convertible in the Mercedes lineup. It's a four-seater that wears its sportiness in a reserved way, like a light sweater thrown over the shoulders of a country-club wife, with a high waistline that helps to maintain an impression of solid respectability. The front windshield, by contrast, is set at a sharp, racy angle, and the driving position is correspondingly low -- the window sill came up to my shoulder, meaning I wouldn't be able to prop my elbow on the door frame. Isn't that half the point of a convertible?

Mercedes chose a fabric roof rather than a retractable hardtop, and its three-layer construction damps exterior noise effectively. The interior is black leather with walnut trim and, equipped with a premium package, promises all manner of Bluetooth-era technical coddling. I spend the drive from the airport playing with the 14-way power-adjustable front seat while Sarah figures out the sound system.

And already, a complaint! It appears the Sirius XM subscription has expired, so there will be no "70s on 7" satellite radio this week; fortunately my iTunes library basically replicates their playlist. We find the iPod/MP3 connection, and the system recognizes our iPhones immediately. Crisis averted.

Other complaints: The fruit in the Mark Hopkins hotel's complimentary honeymoon gift basket was Cezanne-quality to gaze upon -- we spent 10 minutes trying to photograph it -- but a little hard on the teeth.

DAY 2 We make our first try at putting the top down at the Golden Gate Bridge scenic lookout, and something's not right. Though I can hear the whirring of a motorized contraption behind the rear seat, the top won't budge. After consulting the owner's manual and popping the trunk to examine the underpinnings of the retractable-roof mechanism, I'm flummoxed. Sarah stands by patiently, pondering the prospect of several decades of this kind of thing.

Finally she figures it out: there's a latch in the trunk that must be locked into place. She pulls it into position, and suddenly the roof unhinges from the front pillars and smoothly retracts. It takes about 20 seconds for the top to disappear into its cubby behind the rear seats, and several more minutes for Sarah to stop gloating.

The next morning we realize there's no way to lower the roof with all of our luggage in the trunk. We spend the rest of the trip with my wife's large purple suitcase in the back seat. I can't speak to the comfort level for rear passengers -- legroom would appear to be compromised if the driver and front-seat passenger choose to stretch their limbs -- but the suitcase never complained.

DAY 3 Here are a couple of tips for your next driving tour of San Francisco. First, unless you're really willing to upset your fellow tourists, twisty Lombard Street, aka "the crookedest street in the world," is not the place to test the limits of your car's handling. Second, it's tough to roar Bullitt-style over the city's hills while also trying to follow Google Maps.

And I have a genuine criticism. When the 7-speed automatic transmission is set to its default Economy mode, the E550 takes a moment to acknowledge a firm foot on the gas. I noticed this first on the drive from the airport to the hotel, and the last two days confirmed it. Each time I try to lead-foot, the 382-horsepower engine seems to pause to ask "Are you sure?" After a half-second it acquiesces with a deep, guttural growl from the 5.5 liter V-8, and a corresponding burst of speed.

In Sport mode that burst is instantaneous, and the difference is that much more obvious now that we're officially on Highway 1, heading south toward Monterey. The solution is to keep it in Sport mode. You're on your honeymoon, fool.

It's only fair to note that I was driving the 2011 E550; the 2012 model features, along with a new transmission, a twin-turbocharged 4.6-liter V-8 that makes 402 horsepower. Still, my lame-duck 2011 Cabriolet is plenty quick, especially when it comes to passing power. After rocketing past four cars on a straight stretch of highway somewhere south of Half Moon Bay, I can confidently estimate that the E550 goes from 45 to 80 in about 3 seconds.

Complaints: We get all the way to Pacifica before realizing there's no In-N-Out Burger there, and make a 10-minute detour back to Daly City for lunch.

DAY 4 The 17-Mile Drive at Pebble Beach is as visually stunning as promised. What the photos don't tell you is that a good portion of it smells like a Mrs. Paul's processing plant. It's the one failing of the Cabriolet's AirCap system, a spoiler that rises above the windshield at the push of a button, with a corresponding air dam behind the rear seats. AirCap does an excellent job of reducing wind turbulence in the cabin, but alas it's not a force field. Next time we'll bring air freshener.

This leg of the trip poses a serious problem: the deep, winding curves north of Big Sur are the ideal performance challenge for the E550, but those same curves offer breathtaking vistas of the jagged cliffs and rocky shore of the Pacific. The thin metal guardrails separating us from the edge of those cliffs, bent crudely back into shape in many places, are a constant reminder that you cannot enjoy both the road and the view at the same time.

I'd say the E550 is dialed in just right for someone like me, a novice who wants to play helldriver now and then but be forgiven for some occasional overexuberance. You can dive into corners and be cradled like a hammock; the wheels hang tight, not sliding a bit as you accelerate perhaps a little too quickly from the apex of a turn. The steering is responsive without being touchy, and the suspension provides a nice combination of comfort and seat-of-the-pants feel.

Complaints: The Caveman Room at the Madonna Inn in San Luis Obispo is kitschy, roadside-America fun until you try to sleep there, at which point the faux-Stone Age walls become claustrophobic and a little creepy.

DAY 5 The problem with my Nit-Picker's Guide to the E-Class is that it can't account for a day like today, when everything is just about perfect. So let's substitute a few quibbles about the mostly excellent 2012 model, which I drove more recently in New York.

The smaller, more powerful engine of the 2012 sedan seemed overeager in Sport mode, as if the direct-injection V-8 were in a hurry to prove its extra 20 horses were worth the trouble. It's hard to say whether this was a characteristic of the new powertrain or of the more leisurely mind-set evoked by the longer, wider sedan. Whatever the cause, with the 2012 sedan I actually preferred driving in Economy mode. The car still lagged a bit in the lower gears, but as it approached highway speeds the E-Class seemed to find its ideal rhythm.

The same could be said of the 2011 Cabriolet, actually. Maybe it's because we've reached a flatter, straighter portion of Highway 1, negating the temptation for me to play with the paddle shifters in manual-transmission mode, but the E550 seems best suited for this kind of casual daylong cruise.

We approach Los Angeles in late afternoon with Katy Perry blasting from the speakers -- a husband quickly learns to make compromises -- and somehow this becomes the thing I'll remember most, driving into Malibu with the top down and the wind blowing and my wife singing along to "Teenage Dream." I'm iffy on the song at first, but Sarah's winning me over with an impromptu dance routine, acting out the lyrics and throwing her arms up into the wind, and at that moment I am head-over-heels in love, not just with the girl, but with the car, the music, the ocean, the sunshine, California, everything.

Complaints: It is embarrassing to have a half dozen valets at the Hollywood Roosevelt Hotel tripping over themselves to help us unload the E-Class. How much do you tip a guy for carrying a pair of sandals?

DAY 6 It's the last full day of our trip, and I'm already nostalgic. Despite the prospect of a long drive back to San Francisco, we spend the early afternoon curling through Topanga Canyon and along Mulholland Drive, squeezing a last few hours of playtime out of the E-Class. After refueling in Studio City, we get to experience an authentic L.A. traffic jam just before sunset.

I haven't mentioned mileage because, to be honest, I didn't keep track of it. For the record, the E.P.A. rates the latest E550 Cabriolet at a mediocre 16 miles per gallon in the city, 25 for the highway, which is actually an improvement over the 2011 model, whose larger engine's thirst was rated at 15/22. But I'm guessing that, with a list price approaching \$75,000 with options, fuel economy isn't a top concern of the E550 customer.

Complaints: Kitchen worker at Jack in the Box on Interstate 5 south of Bakersfield is seen leaving the bathroom without washing his hands.

DAY 7 After saying a wistful goodbye to the E550 at the airport valet stand, we fly back to New York to resume our regular, pedestrian lives. The harsh reality doesn't truly set in until we've landed at La Guardia, where in the taxi line a dispirited Crown Vic waits, like a yellow pumpkin, to carry us home.

It's amazing how fast one can become a snob about these things.

CASH CAB: For \$65,675 and up, the E550 Cabriolet is sporty yet respectable. (PHOTOGRAPHS BY MERCEDES-BENZ USA)(AU1); QUIET ZONE: The E550 Cabriolet is hushed with top up. Left, stopping for a honeymoon photo op near Monterey. (PHOTOGRAPHS BY MERCEDES-BENZ USA; ROBERT PEELE/THE NEW YORK TIMES); TANNING BOOTH: The E-Class interior offers all manner of technology.(PHOTOGRAPH BY MERCEDES-BENZ USA)(AU5)

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The New York Times

Automobiles; SECTAU
Hyundai Sued Over Mileage

By AARON ROBINSON
720 words
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The New York Times
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Late Edition - Final
2

English

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MARK GORDON of Whitestone, Queens, figures that buying six Hyundais over the years classifies him as a loyal customer. "I put 220,000 miles on my last one," said Mr. Gordon, 58, a manufacturer's representative for bridal gowns. "They don't break down."

Yet Mr. Gordon is so disappointed with the fuel economy of the 2012 Elantra he bought this year, and with the company's response to his complaints, that he created a protest Web site, my2012HyundaiElantragetsloousygasmileage.com.

"This will be the last Hyundai I buy," he said.

Some other owners have also complained, notably in online forums. A lawsuit filed this month in California Superior Court in Sacramento against Hyundai Motor America claims that multimedia advertising for the 2011-12 Elantra compact sedan trumpeted its 40 miles-per-gallon rating without sufficiently disclosing that this is just one of the car's economy ratings. The Environmental Protection Agency rates the Elantra at 29 m.p.g. city and 40 highway, with a combined average of 33 m.p.g.

"This advertising campaign was designed to deceive the public," said Laura Antonini, a lawyer for Consumer Watchdog, the advocacy group that filed the suit. "It was centered around the 40 m.p.g. claim, but this number relates only to the substantially higher highway number." Ms. Antonini said Hyundai was hiding the fact that the car could not achieve 40 m.p.g. under most driving conditions.

In a statement, Hyundai Motor America said the lawsuit had no merit and that the company's advertising was "accurate and in full compliance with applicable laws and regulations."

The Hyundai suit and a recent class-action suit against Honda over the advertised mileage of its Civic Hybrid illustrate consumers' confusion over federally mandated fuel economy labels and the advertising claims they spawn.

The Hyundai case may hinge on an interpretation of the Federal Trade Commission rules on fuel economy advertising. The agency requires any advertising of mileage to include numbers generated by E.P.A.-approved testing procedures, but it no longer mandates disclosure of both the city and highway numbers, or the combined rating.

The F.T.C. has changed its rules, according to John German, a fuel economy expert who is a senior fellow with the International Council on Clean Transportation. The F.T.C. once required that both the city and highway numbers be given equal emphasis in advertising, but in recent years it has allowed automakers to promote one or the other -- usually the highway number, because it is typically higher.

"If someone is just driving around town, they don't have a prayer of matching the highway number," Mr. German said. Other driving factors, such as short trips and colder temperatures, will also increase fuel consumption, he said.

At fuelconomy.gov, an Energy Department Web site where drivers can log their mileage, owners of the 2012 Elantra with an automatic transmission reported averaging 29 m.p.g. That is 4 m.p.g. below the combined E.P.A. rating of 33 m.p.g., but within the typical deviation of plus-or-minus 7 m.p.g. for all vehicles tracked by owners on the site, said David L. Greene of the Oak Ridge National Laboratory, which administers the site.

While the Honda and Hyundai lawsuits are about advertising, the dispute underscores the disparity between window-label fuel economy tests and real-world driving. For example, in the federal highway test, cars are run no faster than 60 m.p.h. and with an average speed of 48 m.p.h., significantly slower than most people drive on the highway.

Mr. German said that although the tests themselves might not be realistic, a numerical fudge factor was applied to all cars to make the final label numbers more accurate. In 2008, the government rewrote its testing procedures in an attempt to make the window labels more reflective of real-world results.

Yet Mr. Gordon, who drives his Elantra 30,000 miles a year, says he struggles to get more than 20 m.p.g. "I bought it for the gas mileage," he said, "but it's the same mileage as the car I traded in."

NUMEROLOGY: A 2012 Hyundai Elantra. (PHOTOGRAPH BY HYUNDAI MOTOR AMERICA)

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The New York Times

THE BLOG

Automobiles; SECTAU

Study Questions Collision Systems

By CHERYL JENSEN

449 words

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The New York Times

NYTF

Late Edition - Final

4

English

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THE Highway Loss Data Institute found in a recent analysis of insurance claims that some crash-avoidance systems were what researchers called "clear winners," while others did not appear to be living up to their promise, the group said on Tuesday.

Researchers looked at collision, property damage and injury claims on vehicles from the 2000 to 2011 model years, depending on when an automaker introduced a specific crash-avoidance feature. Analysis began in 2008 and included claim data through August 2011.

The group and its affiliate, the Insurance Institute for Highway Safety, are financed by the insurance industry.

The two technologies that indicated the biggest reduction in crashes were adaptive headlights and forward collision avoidance systems, particularly those that were able to apply braking power independent of the driver.

A surprising result of the data analysis involved lane-departure warning systems, which appeared to hinder rather than help crash avoidance. Systems like blind-spot detection and park assist would require more study because the data did not indicate an effect one way or another, the researchers said.

Rather than wait to accumulate a large quantity of fatal crash data, analysts studied insurance claims for damage and injuries. The advantage, said David Zuby, chief research officer at the Insurance Institute for Highway Safety, was the sheer quantity of data relating to fender benders and the like, compared with the data available for fatal crashes involving cars with these systems.

Mr. Zuby said the analysis was limited to the four automakers that initially expressed interest in participating: Buick, Mazda, Mercedes-Benz and Volvo. The biggest effect was observed on claims filed under property damage liability -- covering damage caused by the insured vehicle to another vehicle, typically in a front-to-rear collision -- and collision insurance, covering damage to the insured vehicle.

Researchers found that vehicles from Acura and Mercedes-Benz with a forward-collision avoidance system with autonomous braking had 14 percent fewer claims under property damage liability than the same models without the features. Volvo's system reduced these crashes by 10 percent.

Property damage claims were reduced by as much as 10 percent in vehicles with adaptive headlights, which respond to steering inputs to help drivers see around a curve in the dark.

Perhaps even more surprising were the claims relating to lane departure warning systems, which alert drivers if they cross the center line or are in danger of running off the road. Mercedes and Buick vehicles with lane departure warning were associated with an increase in most types of claims. Researchers said the increases were not statistically significant, but suggested these systems were not reducing crashes.

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The New York Times

Business/Financial Desk; SECTB

Lower Gas Prices and New Models Sent Vehicle Sales Higher in June

By BILL VLASIC

940 words

4 July 2012

The New York Times

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Late Edition - Final

3

English

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DETROIT -- The auto industry surpassed expectations in June by reporting a 22 percent increase in sales, fueled in part by lower gas prices and a surge of interest in new car models.

While analysts had forecast a softening in demand, the car companies on Tuesday reported strong sales in most vehicle segments without the need to resort to higher discounts.

The biggest winners during the month were Toyota and Honda, which a year ago were affected by inventory shortages after the earthquake and tsunami in Japan.

Toyota said its sales grew 60.3 percent in June over last year, and Honda reported a 48.8 percent increase. Both companies were bolstered by big gains in sales of their bread-and-butter sedans like the Toyota Camry and Honda Accord.

"It feels good to be back in the race," said John Mendel, head of United States sales for Honda.

The industry's seasonally adjusted annual selling rate was 14.1 million vehicles in June. In the first six months of the year, about 7.3 million vehicles have been sold in the United States, which represents a 14.8 percent increase over the first half of 2011.

A sudden dip in gas prices in recent weeks spurred interest in larger vehicles, like pickup trucks. The price of a gallon of regular gasoline was \$3.32 on Tuesday, compared with \$3.59 a month ago, according to a daily survey published by the AAA.

"The unseasonal drop in gas prices was a great help in better-than-expected sales in June," said Jesse Toprak, the chief market analyst at the auto research Web site TrueCar.com.

The underlying engine for the industry's steady recovery continued to be the need by consumers to replace older vehicles. Many prospective car buyers who delayed buying new models during the recession are now flocking to dealer showrooms.

"Nearly 11 million sales were lost during the recent recession years, of which there are at least four million new car buyers still waiting to come back to market," said Lacey Plache, an economist with the Edmunds.com auto site.

Detroit's carmakers benefited from sales of their newest car models and a renewed interest in sport utility vehicles.

General Motors, the nation's largest automaker, said that its sales increased 15.5 percent in June, to 248,750 vehicles, which the company said was its best monthly performance in nearly four years.

Chrysler reported a 20.3 percent increase over the previous year, its best June sales since 2007.

Ford Motor said its sales for the month rose 7.1 percent, with sport utility vehicles and trucks leading the way.

G.M. said all four of its main brands -- Chevrolet, GMC, Cadillac and Buick -- had double-digit increases during the month, which had 27 selling days versus 26 days in June of last year. The company said its biggest gains were in small cars, particularly sales of a new subcompact, the Chevrolet Sonic, and the Buick Verano sedan.

"Across the board, June was a strong month for G.M.," said Kurt McNeil, head of G.M.'s United States sales. "The combination of new products, available credit, lower fuel prices and modest economic growth was a stronger influence on consumer behavior than economic and political uncertainty."

G.M., he said, expects "moderate, gradual growth" in the auto market through the rest of the year.

And the impact of lower gas prices was an unexpected but welcome stimulant for the industry. "It's another positive sign in this sea of economic uncertainty," he said.

Chrysler said that its passenger car sales increased 42 percent during the month, and its truck and sport utility sales rose 12 percent. Sales of its flagship Chrysler 300 sedan were up 179 percent for the month.

Ford's hottest models were its new S.U.V.'s, which have been redesigned for better fuel efficiency. The company said sales of the small Escape sport utility improved 28 percent and the midsize Explorer increased 34 percent.

Toyota and Honda were not alone among foreign automakers in having a successful June. Nissan said that its sales rose 28.2 percent during the month, while the German carmaker Volkswagen said its sales increased 32.1 percent.

Edmunds.com said the manufacturers had maintained healthy sales without resorting to heavy discounts and other incentives. Automakers spent an average of \$2,187 on incentives per vehicle during June, according to the research site. That represents about a 1.6 percent decline from May.

The industry, in fact, is exhibiting unusual discipline by forgoing big summer discounts and incentives, even on models that are being replaced with newer versions in the fall.

G.M. and Ford, in particular, have been far less willing to raise discounts and cut into their profit margins. Both companies are relying heavily on revenue and profits in the United States to offset increasingly worse results for their European operations.

Last week, Ford said it expected its international losses to triple in the second quarter compared with the first quarter.

Investors cheered the unexpectedly strong June sales; shares of G.M. closed up 5.62 percent and Ford was up 2.24 percent on Tuesday.

Brad Vogelgesang at the Rick Perry Buick GMC dealership in La Salle, Ill. G.M. had its best monthly results in nearly four years. (PHOTOGRAPH BY DANIEL ACKER/BLOOMBERG NEWS); Toyota Prius; Ford Focus | CHARTS: How the Industry Fared; How the Automakers Fared; Most Popular Cars and Trucks (Source: MotorIntelligence.com)

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The New York Times

National Desk; SECTA

Agency Confronts Hurdles in Helping Veterans Match Military Skills to Civilian Jobs

By JAMES DAO

983 words

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NYTF

Late Edition - Final

9

English

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DETROIT -- Malcolm Byrd got out of the Marine Corps in 2003 and found work, first in a General Motors factory and then with a nonprofit group. But four months ago, he lost his job because of government budget cuts and has been job hunting since.

Telling potential employers that he was a Marine supply clerk who managed millions of dollars in Kevlar helmets and folding cots does not seem to have helped him find the management job he is seeking.

"I could run a warehouse, but they don't put that on your DD-214," said Mr. Byrd, 38, referring to the official document troops receive upon leaving service. "You do get skills in the military, but people don't seem to understand that."

As government and veterans groups work to bring down the high unemployment rate for recent veterans, they are finding a major problem in translating the work of war to peacetime jobs.

In a widely cited recent study of veteran hiring, researchers from the Center for a New American Security, a research organization based in Washington, found that the No. 1 obstacle to hiring veterans was matching military skills with civilian work.

"Civilian employers do not always realize that military-specific jobs -- such as machine gunner, tank driver or helicopter crew chief -- have some components that are directly comparable to civilian environments," said the report, which was based on interviews with officials from 69 companies.

With that in mind, the Department of Veterans Affairs brought scores of job counselors to Detroit last week for its largest hiring fair of the year, where more than 8,000 veterans turned up looking for work. The department plans to hold at least nine more such fairs this year.

Among their tasks was building resumes for grenadiers, infantry squad leaders and logistics officers that might make sense to private companies and government agencies. Veterans could also get interview coaching and be directed to relevant jobs offered by 240 employers who sent recruiters to the fair.

By the end of the three-day event, which overlapped with an annual conference on veteran-owned small businesses, more than 1,300 jobs were offered to veterans, the department said.

In an interview, the secretary of veterans affairs, Eric Shinseki, said most veterans left service with marketable skills. "But unless we can translate that into understandable business language, it's hard for the employer to get a full appreciation for the skills and knowledge the veteran will bring," he said.

Those skills can indeed be hard to see. A machine gunner, for instance, may seem adept only at dismantling, cleaning and firing a weapon. But military life is also likely to have taught him to be adaptable, disciplined, hard working and a team player. Many veterans will have also managed other service members, responsible for not just planning their days, but also safeguarding their lives.

Mr. Shinseki said the department picked Detroit for its event, where it also assisted veterans in signing up for V.A. benefits and health care, because there were an estimated 94,000 unemployed veterans within a 600-mile radius of the city.

The unemployment rate for veterans of the Iraq and Afghanistan wars has remained above the civilian rate for several years, standing at 12.7 percent in May, compared with 7.7 percent among nonveterans.

The problem is particularly great among younger veterans ages 18 to 24, whose unemployment rate was 23.5 percent in May, 10 percentage points higher than their nonveteran peers.

One reason for the particularly high rate is that many younger veterans do not have college degrees at a time when the already tight job market is demanding them more than ever. Some employers have also expressed concerns that veterans will be hampered by psychological problems like post-traumatic stress disorder, though experts say such concerns are unwarranted.

On the flip side, the Center for a New American Security study found that most companies reported wanting to hire veterans because they are often strong leaders and work well within a structured work setting, among other reasons.

But Margaret C. Harrell, a senior fellow at the center and a co-author of the report, said veterans often struggled to explain their skills to employers. They are also often hurt by licensing requirements imposed by states on certain professions.

Medics and hospital corpsmen, for instance, may have to receive additional training to become nurses or emergency medical technicians, even if they already have extensive experience handling battlefield injuries. "People are less concerned when we talk about giving commercial truck driving jobs to military truck drivers," Ms. Harrell said. "But it's a bit harder to know how military medical training translates into the civilian world."

Glenn McCartan, a former Marine Corps company commander who left active-duty service in 2009, said another frustration felt by many of his peers was being placed in jobs with less responsibility than they were used to.

That may be because they were given latitude in the military, said Mr. McCartan, who worked at a government agency before going to graduate school. But it also may be a result of nonmilitary bosses not understanding military work and thus being wary of giving veterans leadership positions. "A lot of veterans are hungry," said Mr. McCartan, a major in the Marine Corps Reserve. "They want to be productive, but they are held back."

Mr. Byrd said he has tried pitching his experience with military logistics to companies like Kmart and Lowe's, to no avail.

"I'm not hoping for the job of my dreams," he said. "I just want to be gainfully employed."

Eric Shinseki, the secretary of veterans affairs, during a job fair held in Detroit last week. (PHOTOGRAPH BY FABRIZIO COSTANTINI FOR THE NEW YORK TIMES)

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The New York Times

BEHIND THE WHEEL 2012 CODA

Automobiles; SECTAU

A Bare-Bones Electric Car That Goes the Extra Miles

By BRADLEY BERMAN

1,522 words

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NYTF

Late Edition - Final

1

English

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BERKELEY, Calif.

THE driving distance for electric vehicles priced near the heart of the new-car market -- starting around \$35,000, before federal tax credits and other incentives -- is defined by cars like the Nissan Leaf and Ford Focus Electric. Each of those models, when keeping pace with a typical mix of traffic conditions, will drive about 70 to 80 miles on a fully charged battery.

So the introduction of a similarly priced electric sedan that delivers a consistent 100-mile range represents something of an industry milestone.

Credit for that advance, confirmed by my week of driving to business meetings and family outings around the San Francisco Bay Area, goes to a Los Angeles-based electric-car start-up, Coda Automotive. The company put its first model, a sedan that carries an official range rating of 88 miles per charge from the Environmental Protection Agency, on sale last March.

As the first journalist to spend quality time with the company's single vehicle available for review, I set out on trips that I would never take in the leased Nissan Leaf I usually drive. One weekend I took my wife and two teenagers to Bolinas Beach, about 25 miles north of the Golden Gate Bridge. We made that drive, a 79-mile round trip from our home in Berkeley, in comfort, using the Coda's ample trunk to stow our gear.

The 134-horsepower motor proved sufficient for highway needs. The 870-pound battery pack, mounted under the floor, lowers the center of gravity to help maintain competent handling of the 3,670-pound sedan along twists and turns. When we got home, nearly 20 percent of the battery's charge remained.

Replenishing the lithium-iron-phosphate battery with the Coda's 6.6-kilowatt onboard charger restored about 20 miles of range each hour -- about twice the rate of my Leaf -- drawing from a 240-volt source. The next day, I traveled on business to a meeting in Silicon Valley, tallying an impressive 102.8 miles, with a few miles' charge left in reserve.

To achieve this feat while keeping costs under control, Coda focused its efforts on the systems that manage battery power, outsourcing the car's body (and battery cells) to China; other components come from American companies. The car is adapted to E.V. duty from a gas-powered model manufactured by ChangAn Hafei in Harbin, a provincial capital in the northeast corner of the country. Final assembly takes place in Benicia, Calif.

Coda says that its redesign of the body structure resulted in the first made-in-China passenger car to meet highway safety standards in the United States -- an achievement that may presage the arrival of conventional gas-powered Chinese cars in this country.

The company even brought its chief executive from China. Coda hired Philip Murtaugh in 2011, a former top executive at the Chinese operations of General Motors and Chrysler.

At the 2011 Los Angeles auto show, Mr. Murtaugh expressed concern over the reception for the car's styling in the American market. First produced nearly about a decade ago, it gives the impression of a knockoff copy of a Y2K Nissan Sentra or Honda Civic.

"The vehicle was chosen three years ago," he told me. "I came in nine months ago. We couldn't change it."

The Coda sedan lacks features that other E.V.'s offer, cutting out the cost of amenities in order to fit a bigger battery. There's no keyless entry, push-button start or switchable Sport and Eco driving modes. And no techno start-up sound or backup camera, not even a mobile app for your smartphone or simple conveniences like one-touch window lowering. In fact, the Coda, starting at \$38,145, doesn't have cruise control.

The Coda's price falls between the Focus Electric at \$39,995 and the Leaf at \$36,050. Like those competing E.V.'s, the Coda qualifies for a federal tax credit of \$7,500, as well as a California E.V. rebate of \$2,500. That brings the final price, without options, to \$28,145 in my home state.

As with all electric vehicles, the key to range is battery capacity. Coda's 31-kilowatt-hour battery surpasses the Leaf, which has 24-kilowatt-hour pack, and the Focus Electric's 23 kilowatt-hour pack. (Coda says it will offer a 36 kilowatt-hour battery this year.) Coda also uses an active thermal management system to preserve range in cold and hot weather; it uses air to do the work of regulating temperature, rather than liquid like the Focus Electric.

The lack of amenities did not discourage Randy Abraham, one of Coda's first customers. An airline test pilot who lives in Redwood City, Calif., Mr. Abraham has clocked 3,200 miles on his car since taking delivery in March.

"The big things work the way they're supposed to," he said. He's pleased with his purchase.

Bob Ostertag, a San Francisco-based writer and composer, also set a low bar.

"I'm all about global warming," he said. "I really don't care how the Coda drives or the styling. I want it to have long range, to charge in a decent amount of time."

The Coda provides sufficient range for Mr. Ostertag's 75-mile drive from San Francisco to Davis, Calif. But after driving a Coda borrowed from the university where he teaches, Mr. Ostertag decided to postpone buying one.

"When I took a preproduction model on the highway, there was a whine," he said. "I'm not going to spend \$30,000 on a car that makes me feel like I'm going to get my teeth drilled."

Confirming their awareness of the noise and vibration problem, Coda engineers say they have a solution, though it has not been executed.

When I mentioned my rough measurement of the car's zero-to-60 acceleration at a glacial 19 seconds to the engineering team, it prompted an investigation to determine why my test car was so slow compared with the 9.5-second time the company advertises. It turns out that the car is programmed to conserve power when the battery runs low -- it was at 10 percent of capacity when I did my performance test.

Perhaps Coda will find a large base of customers willing to sacrifice ride quality and amenities in exchange for a dependable range of 100 miles. I'm not in that group; in the production version I drove, the high-pitched whine was just the beginning of the Coda cacophony.

When starting out, the electric motor groans in low deep spasms as speed builds. At higher speeds, wind noise and buzzing intrude. The ride is harsh, giving passengers intimate knowledge of every imperfection in the road.

Inside, positions and proportions are out of whack. The brake and accelerator pedals are too close together, and they are pushed too far to the right. The lack of convenient and adequate cup holders, together with an abundance of cigarette lighters, suggests that the designers have more consideration for heavy smokers than American big-gulpers.

Yes, the trunk is cavernous, but I would gladly give up three inches of trunk depth for more legroom in the back seat.

Instead of a conventional gearshift handle, the Coda uses an oversized dial to move through the gears. Looking like a RadioShack gadget from the 1970s, the dial spins loosely, as if not engaged with its purpose. It continues to spin instead of stopping when reaching the end of the gear selections. The functionality and graphics on the Alpine seven-inch color touch screen for navigation and audio are even more retro, though connecting my iPhone via Bluetooth was easy.

Bad decision-making is evident even in the car's name: Coda. Is that the brand? Is it the model name? Single names might work for celebrities like Bono, Prince and Rihanna, but not for cars.

If you had asked me several years ago to describe the kind of E.V.'s I thought we might be driving in 2012 I would have described the Coda I drove. Fortunately, Nissan and others lavished their electric cars with luxury appointments, innovative features and sophisticated powertrains.

The major automakers far exceeded the expectations of E.V. fans who would have accepted a lot less. And they raised the bar in the process. That makes it difficult to accept the shortcomings of the Coda at its current price, despite its ability to grant 100 miles on a single charge.

INSIDE TRACK: The E.V. from the generic aisle.

VANILLA: There's little flair in Coda's styling, but it drives more miles on a battery charge than similarly priced models. (PHOTOGRAPHS BY CODA AUTOMOTIVE)(AU1); BASICS: From top, Coda's minimalist dashboard display; Randy Abraham, an early, and satisfied, customer; the shifter spins freely after the last gear position. (PHOTOGRAPHS BY BRADLEY BERMAN FOR THE NEW YORK TIMES)(AU4)

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