# Tech Center News

#### WARREN, MICHIGAN

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**OCTOBER 13, 2014** 

# GM, Allies Gear Up to Fight War Against Breast Cancer

For the fourth consecutive October, Chevrolet and General Motors' employees, dealers and customers are uniting to battle breast cancer.

Officials hope to exceed the \$1.1 million raised by the American Cancer Society (ACS) in 2013 through Chevrolet's nationwide grassroots support for the society's Making Strides Against Breast Cancer walks and other activities, said GM spokesperson Cristi Vazquez.

Events include nationwide employee and dealership-sponsored fund-raising walks, including a major walk in downtown Detroit on Oct. 11; a specially themed pink Chevrolet SS that is pacing caution laps at three NASCAR Sprint Cup Series weekends, and test-drive donations at Chevrolet dealers throughout October.

To recognize breast cancer patients and survivors, the towers of GM's Renaissance Center global headquarters in Detroit will glow in bands of pink during October, which is Breast Cancer Awareness Month, Vazquez said.

Although early detection and improved treatments are saving lives, breast cancer is the most common cancer among Ameri-

For the fourth consecutive can women, except for skin canctober, Chevrolet and General cers.

> About one in eight women in the U.S. – or 12 percent – will develop invasive breast cancer during their lifetime. An estimated 40,000 women and 430 men will die from breast cancer this year, according to the ACS.

"When a friend or loved one is diagnosed with breast cancer, we tend to ask, 'What can I do?" said Paul Edwards, U.S. vice president, Chevrolet Marketing, who is leading Chevrolet's activities this year.

"Getting involved in a walk or making a donation is something we all can do to make a difference."

Funds raised help the American Cancer Society pay for ongoing research, wellness and breast cancer awareness education, and support for breast cancer patients and their families. Since 2011, Chevrolet has helped the ACS raise more than \$3 million.

"The money we raise and the support we receive from Chevrolet nationwide helps us save more lives from breast cancer faster and supports our mission to create a world with less breast cancer and more birthdays," said

CONTINUED ON PAGE 3



Volt engineer Andrew Farah with camo version of upcoming Volt

# GM Engineers Dress Up Volt, While Hiding It

The styling of the next-generation Chevrolet Volt is one of the automotive world's best-kept secrets, said GM spokesperson Michelle Malcho.

Keeping customers and media eager to see the successor to the groundbreaking original at bay until the new Volt debuts at the North American International Auto Show in Detroit in January

is tricky business, she said.

First, it's engineers, not designers, who are charged with creating camouflage that balances styling secrecy with the need to validate the Volt and its systems in public, Malcho said.

"If it were up to me, it would be a shoebox driving down the road," said Lionel Perkins, GM camouflage engineer. "The design team wants us to cover more of the vehicle and the engineering team needs to have enough of the vehicle's weight and aero exposed so that the tests in the development process are consistent with the product that will come to market."

#### CONTINUED ON PAGE 3

# Engineers Were Diving from Cars When GM's Milford Proving Ground Opened in 1924

by Jim Stickford

Things were tough for test engineers when the General Motors Milford Proving Ground opened in 1924 – 90 years ago this month.

The engineers lacked advanced tools and technology for safety testing, so they endangered themselves.

In 1924, and for years after, engineers would drive a test car toward a wall, then jump out of the car before the vehicle hit.

"They even had someone set up specially to catch the driver," said GM spokesperson Jennifer Ecclestone.

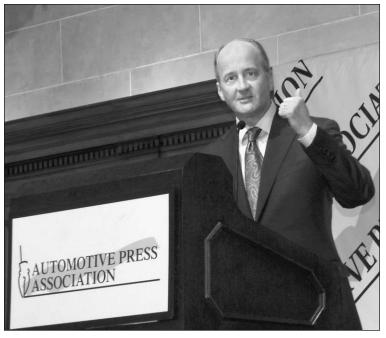
In other cases, they would ride the running boards until seconds before impact – then jump. group manager for the dummy lab and a GM Technical Fellow, said, "The technology used today to research vehicles is far superior to the past, but the intention stays the same – put vehicles to the test in the name of safety.

"We have more sophisticated dummies, computers to monitor

crashes and new facilities to observe different types of potential hazards.

"All those things together give our engineers the ability to design a broad range of vehicles that safely get our customers where they need to go."





NADA President Forrest McConnell

Engineers today keep their distance during crash tests.

Inside the vehicles being tested are heavily instrumented anthropomorphic test devices – dummies – who capture the data for which engineers once risked their lives.

Back in 1924, Milford was a small community well outside the Detroit area. Among the reasons it was selected to be GM's proving ground – and the first dedicated proving ground in the world – was that it had hills and other geographic features that would test a car's capacity to drive on less than straight, level roads.

"I've seen footage," said Ecclestone, "where they tested how a car withstood rolling over down a hill by having three or four cars push the vehicle over from the top of a ridge down the hill."

Jack Jensen, GM engineering

Then-new 1937 Chevrolet gets tested at GM's Milford Proving Ground.

# **Dealer Franchising Benefits Car Buyer – NADA President**

#### by Jim Stickford

If it ain't broke, don't fix it. That was the message from National Automobile Dealers Association (NADA) president Forrest McConnell to the Automotive Press Association.

McConnell spoke to the group about the viability of the auto dealer franchise system at a luncheon held at the Detroit Athletic Club Oct. 7.

The main thing that makes the dealer franchise system work, McConnell said, is competition.

"I'm not talking about competition from outside elements," McConnell said. "But the competition among dealers themselves. Competition on pricing, competi-

tion on financing and competition on service."

In fact, McConnell said, a Ford dealer's biggest competition isn't from Toyota or GM, it's from another Ford dealer.

Anytime someone visits a Ford dealer, they can now check out prices and services available to them from other Ford dealers in the area. Often they can do it from their smartphones while at a Ford dealership.

"The truth is dealers are so busy competing with each other that it leaves no room for complacency," McConnell said.

"If you leave your customers dissatisfied, they're going to run

CONTINUED ON PAGE 2

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**In-Car Infotainment Systems Causing More Distractions?** 

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### **Dealer Franchises Benefit Car Buyer** – NADA President

CONTINUED FROM PAGE 1

to your competitor like their hair is on fire. If there's one thing you need to know about this business, it's this - competing with the dealer down the street or on the Internet benefits car buyers across the nation.

McConnell noted that the profit margins enjoyed by franchise dealers before taxes is 2.2 percent or a little more than two cents for every dollar of income.

"The state of Michigan makes six cents for every dollar on a car sale," McConnell said.

Local franchise dealers, Mc-Connell said, employ people at jobs that can't be sent overseas and they are great contributors to the local economies.

And their competition goes beyond price on cars.

They work with multiple lenders so that about 80 percent of people who finance cars get their financing through the dealer instead of going to a bank or credit union. This is because of competition.

But, McConnell said the federal government, in the name of fighting discrimination, could take away dealers' ability to compete by readjusting interest rates to fit a customer's budget.

McConnell said that the thinking behind this is to end discriminatory lending practices by dealers. Discrimination has no business in the car business, he said, but imposing a flat fee will take away a dealer's ability to tailor a deal to fit the customer.

The Consumer Financial Protection Bureau's (CFPB) insistence on a flat-fee model eliminates a customer's right to get a discount," McConnell said.

"Right now, dealers are incentivized to select the lender that offers us the lowest available rate. The current system works because it forces banks to compete and offer dealers low rates to get their business."

McConnell also said that there is a bill in Congress - H.R. 5403 with bipartisan support, that would allow dealers to provide discounts for customers.

**By JOAN LOWY Associated Press** 

WASHINGTON (AP) - Just because you can talk to your car doesn't mean you should.

Two new studies have found that voice-activated smartphones and dashboard infotainment systems may be making the distracted-driving problem worse instead of better.

The systems let drivers do things like tune the radio, send a text message, or make a phone call while keeping their eyes on the road and their hands on the wheel.

But many of these systems are so error-prone or complex that they require more concentration from drivers rather than less, according to studies released last week by the AAA Foundation for Traffic Safety and the University of Utah.

One study examined infotainment systems in some of the most common auto brands on the road: Chevrolet, Chrysler, Ford, Hyundai and Mercedes.

The second study tested the Apple iPhone's Siri voice system to navigate, send texts, make Facebook and Twitter posts and use the calendar without handling or looking at the phone.

Apple and Google are working with automakers to mesh smartphones with infotainment systems so that drivers can bring their apps, navigation and music files into their cars.

The voice-activated systems

were graded on a distraction scale of 1 to 5, with 1 representing no distraction and 5 comparable to doing complex math problems and word memorization.

The systems were tested by 162 university students and other volunteers in three settings: a laboratory, a driving simulator and in cars while driving through a Salt Lake City neighborhood.

Apple's Siri received the worst rating, 4.14. Test drivers using Siri in a driving simulator twice rear-ended another car.

Chevrolet's MyLink received the worst rating, 3.7, among the infotainment systems. Infotainment systems from three other automakers – Mercedes, Ford and Chrysler – also were rated more distracting for drivers than simply talking on a hand-held cellphone.

"What we continue to see from customers is that they demand this level of technology in their vehicles, that access to music and access to calls are now a critical part of the driving experience and so we're looking at innovative ways to provide that," said Chevrolet spokeswoman Annalisa Bluhm.

Apple noted in a statement that researchers didn't use the company's CarPlay or Siri Eyes Free, which are designed for use in cars

However, David Strayer, the University of Utah psychology professor who led the two studies, said researchers consulted with Apple before beginning the study.

The study used an iOS 7 version of Siri that was tweaked to be nearly identical to the iOS 8 version, which was just recently released, he said.

The systems with the worst ratings were those that made errors even though drivers' voice commands were clear and distinct, said Strayer.

Drivers had to concentrate on exactly what words they wanted to use and in what order to get the systems to follow their commands, creating a great deal of frustration.

For example, an infotainment system might recognize a command to change a radio station to "103.5 FM," but not "FM 103.5" or simply "103.5," he said.

Siri sometimes garbled text messages or selected wrong phone numbers from personal phonebooks, Strayer said.

During one test, Siri called 911 instead of the phone number requested by the volunteer driver and the driver had to scramble to end the call before it went through. Siri found the number in the driver's phonebook because the driver had called it once before.

"When these systems become more complex, like sending text messages or posting to Facebook, it pushes the workloads to pretty high levels and may be dangerous while driving," Straver said.

The studies contradict claims by automakers, who have been pitching the voice systems to car buyers as a way they can safely enjoy social media and connectivity.

Safety advocates say drivers assume that such systems are safe because they are incorporated into vehicles and are handsfree.

The National Highway Traffic Safety Administration, which regulates vehicle safety, has issued guidelines to automakers for dashboard systems and is working on similar guidelines for cell phones and voice-activated systems, but the guidelines are voluntary

"Infotainment systems are unregulated," said Deborah Hersman, president of the National Safety Council and former chairman of the National Transportation Safety Board.

"It is like the Wild West, where the most critical safety feature in the vehicle - the driver - is being treated like a guinea pig in human trials with new technologies."

Two of the infotainment systems were rated relatively low for distraction. Toyota's Entune received a 1.7, the distraction equivalent of listening to an audiobook, and Hyundai's Blue Lin Telematic System received a 2.2.

'The good news is that really well-designed systems offer us the possibility to interact in ways that aren't so distracting," Strayer said.

# Feinberg Updates Claims in GM Ignition Switches Case

DETROIT (AP) - At least 24 people have died and 16 people have been seriously injured in crashes involving General Motors cars with defective ignition switches.

Attorney Kenneth Feinberg, who was hired by GM to compensate victims, updated the totals Oct. 6.

Feinberg says he has received 153 death claims since August. Of those, 24 have been deemed eligible for compensation payments, up from 23 the week before.

Sixteen of the 714 injury claimants have also received compensation offers.

GM has acknowledged that it knew about faulty ignition switches in Chevrolet Cobalts and other small cars for more than a decade.

Yet, it didn't recall them until February of this year.

The switches can slip out of the "on" position, which causes

oil spill, began accepting claims Aug. 1 and has set a deadline of

placed any limit on the amount of money that can be spent on settlements.

GM has set aside \$400 million for compensation, but says that could grow to \$600 million.

On Sept. 29, the family of a 7year-old New Bethlehem, Pa., boy who was injured in a crash caused by a faulty switch, accepted a settlement offer from Feinberg.

Attorney Robert Hilliard said in a statement that the family of Trenton Buzard agreed to the undisclosed offer.

The settlement stems from an April 2, 2009, crash in which Trenton suffered spinal injuries that left him paralyzed from the chest down.

According to his family's law-

suit against GM, Trenton, who was almost 2 years old at the time, was strapped into a car seat in a 2005 Cobalt driven by his great-grandmother, Esther Mathews.

As Mathews drove near Knox, Pa., northeast of Pittsburgh, she tried to avoid another car that she perceived was approaching in her lane.

But when she tried to maneuver out of trouble, the Cobalt's faulty ignition switch caused the car to stall and lose power-assisted steering, according to the lawsuit.

"This defective condition directly resulted in a loss of power exactly at the time and place where Esther Mathews most needed these essential functions to avoid this collision and/or lessen the impact," the lawsuit stated.

The right front of the Cobalt

struck the other vehicle, killing Mathews and severely injuring Trenton. Hilliard said the settlement

makes sure that Trenton receives medical care and improved mobility and quality of life.

Trenton's family is the fourth Hilliard client to settle with Feinberg since the first 15 settlement offers went out last week.





Dec. 31. He has said that GM hasn't

The franchise system, said Mc-Connell, has lasted a century because it works

If OEMs were to try to sell cars directly to the public, they would have to assume huge costs that dealers now cover.

He said Volkswagen has recently gotten rid of its dealerships because they were undercapitalized and couldn't comprivately-owned with pete dealerships.

When asked about the effect recalls are having on dealers, McConnell said that the dealers he knows look at recalls as an opportunity to interact and reconnect with customers. Most recalls are over relatively minor things.

The OEMs pay for them and dealers can really build a positive relationship with the customer if they perform their duties right.

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# **Tech Center News**

**OCTOBER 13, 2014** 

# GM, Allies Gear Up to Fight War Against Breast Cancer

CONTINUED FROM PAGE 1

Jill Elder, vice president of distinguished and corporate partners for the American Cancer Society.

Here are the Chevrolet-sponsored activities planned in October in support of Making Strides Against Breast Cancer:

 Chevrolet test drives -Chevrolet will donate \$10 for tration at 8 a.m.) Oct. 11 at 2000 every customer who test drives a Chevrolet at a dealership this month, up to \$130,000.

 Team Chevy motorsports – Chevrolet is donating \$250 for each caution lap that the pink Chevrolet SS Pace Car leads in three NASCAR Sprint Cup Series race weekends. The program began in August in Atlanta and continues at Talladega Oct. 19 and Martinsville Oct. 26.

Chevrolet will also sponsor attrack survivor events, including special driver appearances, Chevrolet SS pace car rides and

more. During the past three years, Chevrolet's at-track campaign has generated more than \$80,000

• Chevrolet and GM employee walks - All month, General Motors facilities, plants and warehouses across the country will participate in fund-raising walks.

A major walk is 9 a.m. (regis-Brush in downtown Detroit, steps from Chevrolet headquarters and hosted by Edwards.

· Chevrolet dealership walks -Hundreds of dealerships are sponsoring teams in community walks throughout October. Those interested in participating in a Making Strides for Breast Cancer walk in their community can visit makingstrideswalk.org.

• Apparel sales: Cruisin' Sports is contributing 10 percent of its sales from items supporting Making Strides to the American Cancer Society.



DEQ Director Dan Wyant, wearing suit, presents environmental award to Orion Assembly employees.

# GM Trend: Being an Environmental Partner

mental education collaboration,

now in its 25th year, that match-

es students with GM mentors

and community organizations to

help youth better understand

their impact on local water-

habitat certified by the Wildlife

Habitat Council, developed to en-

hance and protect wildlife and

educate communities on conser-

• Two plants are landfill-free,

"We are a part of every com-

recycling, reusing or converting

to energy all waste from daily op-

munity in which we do business,

and with that comes a responsi-

bility to improve the environ-

ment we all share," said David

• Four plants feature natural

sheds.

vation.

erations.

Seven General Motors facilities are being recognized by the State of Michigan for ongoing efforts to improve the environment and quality of life in their communities.

Nearly half of GM's Michigan manufacturing plants received Neighborhood Environmental Partner awards Oct. 1 from the state's Department of Environmental Quality (DEQ) for individual sustainability efforts and environmental programs.

According to GM spokesperson Sharon Basel, GM leads all manufacturers in Neighborhood Environmental Partner awards with 44, more than a third of all Neighborhood Environmental Partner awards since the program began in 2005.

"We appreciate GM's continued willingness to go above and bevond to conserve energy, recycle and reduce waste, and help preserve Michigan's air, land and water resources," said DEO Director Dan Wyant.

"These voluntary efforts are great examples of environmental stewardship.'

The recognized plants are Lansing Delta Township, Detroit-Hamtramck Assembly, Orion Assembly, Warren Transmission, Flint Assembly, Romulus Powertrain Operations and Flint Metal Center.

These sites reduce their environmental impact through energy efficiency, resource preservaand waste reduction tion throughout their communities. For example:

• All participated in the company-wide GM GREEN (Global **Rivers Environmental Education** Network) program, an environTulauskas, GM director of sustainability.

"We've made great progress toward reducing our environmental footprint at these facilities. Sharing our environmental knowledge and collaborating with local partners allows us to make a greater impact.'

Last year, GM was recognized for participating in the program for five or more years.

The company has received Neighborhood Environmental Partner awards for eight consecutive years, Basel said.

To be eligible for the Neighborhood Environmental Partner award, an organization must be a designated Clean Corporate Citizen and Pollution Prevention Partnership facility.

# **GM Engineers Dress Up Chevy Volt, While Hiding It**

CONTINUED FROM PAGE 1

The engineers responsible for the "cool" designs covering the car might deserve style points, but their efforts are intended strictly to hide the metal beneath, Perkins said.

Some of the tricks of the trade: • Black-and-white patterns -The color scheme creates a shadow that hides vehicle design elements;

• 3D – Layered camouflage throws off onlookers, but has to be applied without interrupting airflow around the car;

• Swirls - In the old days of car camouflage, the design relied mainly on a grid pattern. But over the years, engineers discovered that grids are difficult to realign if a piece is removed to make a change to the car. Swirl patterns better hide such developments:

• Bubble wrap – Camouflage can be made from many different materials, including plastics, vinyl and foam. Good old bubble wrap is a lightweight, easily attachable, three-dimensional material used to confuse prying eyes.

The camouflage package on the next-generation Volt was

started six months in advance of early development, Perkins said. Every vehicle is different and tricks are constantly updated to keep spy photographers and the curious guessing.

"Each car is unique. We are like a dressmaker, and the car is our model," said Perkins. "No two models are the same. We need to make the right dress that fits the body we are dealing with."

#### Grief Counselor Comes to Warren

The Warren Public Library is holding a special seminar on grief and loss on Wednesday, Nov. 12 from 6 to 7:30 p.m. in the conference room next to the Warren Civic Center branch.

"Experiencing the death of a loved one - spouse, parent, friend - is a life-changing experience," said Warren librarian Kathleen Faba. "It takes time to learn to live again without that special person. Ron Gries is an author and speaker who will share his personal experience with loss in an effort to help others deal with this stage of life."

Those interested can call 586-263-8514 to reserve a spot.

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## Ford, UAW Launch Educational Program

Ford Motor Company Fund is middle school students with injoining with the UAW to donate \$200,000 to support arts, music and athletics in Detroit Public Schools

The donation is part of more than \$1 million in new scholarships, grants and career outreach programs that Ford's philanthropic arm is launching this month to further its commitment to education.

The Detroit funds are a continuation of a program started last year to enhance the educational experience of interested students in grades K-8, said Ford spokesperson Todd Nissen.

Ford and the UAW Ford National Program Center announced the donation Oct. 7 at the Ford STEAM (Science, Technology, Engineering, Arts, Math) Conference, a first-ever community collaboration to provide 165 Detroit sight into the top career pathways that will sustain the economic revitalization of southeast Michigan.

"Education is the cornerstone of a brighter future and has been a central part of Ford's community involvement since our company was founded," said Jim Vella, president of the Ford Motor Company Fund. "We are taking that commitment to a new level with a comprehensive range of innovative programs that serve a variety of needs."

The STEAM #fordsteamlab event featured representatives from several groups contributing their expertise to provide middle school students with a wide range of career options, work paths and guidance.

They included NHRA driver Nicole Lyons, Usher's New Look Foundation, Code.org, #yeswecode, Rock and Roll Academy, Tech Town, Pony Ride, as well as representatives from University of Michigan Dearborn and the Detroit Lions.

Additional Ford Fund programs range from promoting student access to arts programs in high school, to grants that empower college students in the United States, China and Brazil to build more sustainable communities. Nissen said.

The Dearborn automaker also is expanding programs aimed at improving high school graduation rates, helping teachers prepare students for real-world jobs and assisting middle school students discover career options.

In addition to the Detroit Public Schools support, the scholarships and programs launching are:

• Ford College Community Challenge Grants: Ford is awarding grants worth \$280,000 to 16 projects at 15 colleges and universities that support sustainable student-led projects addressing urgent community needs. Winning projects, which were announced last week, address the theme of the Challenge "Building Sustainable Commu-

nities" - in an innovative way. The annual program is being expanded globally for the first time to include communities in China and Brazil.

The Ford C3 program has awarded more than \$2 million in sustainable community grants since 2008.

• Ford Driving Dreams Tour: Designed to motivate students to complete high school on time and pursue higher education, the tour launched in Chicago last week during National Hispanic Heritage Month, where it will provide a total of \$105,000 in scholarships and grants, assisting more than 3,800 students at communities. The program, seven Chicago-area high schools which is taking applications now, will award \$100,000 to support with significant Latino student five grants. Ford Driving Dreams has pro-

 Next Generation Learning Externships: Ford Motor Company and the United Auto Workers are collaborating on a program that brings high school teachers into the auto industry so teachers can better instruct students on real-world work scenarios.

Ford Motor Company Fund invests more than \$8 million a year, said Nissen, in scholarships and cused on building sustainable other education initiatives.

#### Ford Stock Down as Forecast Shows **Expected Reduction in Annual Profits**

DEARBORN, Mich. (AP) - Ford shares tumbled last week after the automaker said it will fall short of its full-year profit goals.

vided nearly \$400,000 in direct

educational resources, reaching

nearly 25,000 students since

• Ford Historically Black Col-

lege & Universities Community

Challenge: The annual program

works with historic black col-

leges and universities to fund in-

novative projects that are fo-

populations

2012.

**Get Away to Sunset Bay** 

on beautiful Lake Huron in Caseville

At a conference for investors, the Dearborn, Mich.-based automaker said it expects a pretax profit of around \$6 billion this year, down from the \$7 billion to \$8 billion it previously forecast.

Chief Financial Officer Bob Shanks said record profits in North America aren't enough to

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offset trouble in South America, where Ford expects to lose \$1 billion this year, and Russia, where falling sales and the rapid deterioration of the ruble took the company by surprise.

Warranty costs - including a \$500 million charge for last week's recall of 850,000 vehicles for defective air bags - are also higher than expected.

"We know this year is going to be short of plan, but we also have to keep an eye on the future," Shanks said.

Shanks said Ford expects a pretax profit of \$8.5 billion to \$9.5 billion in 2015, based partly upon an expected recovery in South America and improvement in warranty costs.

The company also plans fewer vehicle introductions in 2015, which will cut costs. Ford is introducing 23 vehicles worldwide this year; next year, it plans to introduce 16.

Longer term, the company said it expects to grow global sales by as much as 55 percent by 2020, to 9.4 million cars and trucks. That's partly based on expected strong growth in Asia, where Ford is opening five plants over the next year.

As recently as July, Ford said it was on track to make a profit in Europe in 2015. Ford hasn't made a full-year profit in the region since 2010.

Investors' hopes grew when Ford earned \$14 million in Europe in the second guarter of this year. But the company now said it expects a pretax loss of \$1.2 billion in Europe in 2014 and a loss of \$250 million in 2015. Ford expects to lose \$300 million in Russia alone



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## Canvon/Colorado Plant Heats Up

WENTZVILLE, Mo. (AP) - The GM plant in Wentzville is celebrating a major milestone: The first of the new mid-sized pickup trucks are going to dealerships.

UAW leaders and others were on hand Oct. 8 for the rollout of the Wentzville-made GMC Canyon and Chevrolet Colorado trucks. GM says representatives from more than 125 dealers were at the plant to take delivery of their first orders. Advance sales have been strong, and GM is adding workers around March to staff a third shift at its plant in Wentzville. The factory already employs 2,600 people.

# **Most Owners Neglect GM's Ignition Switch Recall Notice**

By TOM KRISHER AP Auto Writer

DETROIT (AP) – Eight months after General Motors began recalling more than 2 million cars because of a deadly ignitionswitch defect, less than half the owners have gotten their vehicles fixed.

At first, the problem was a shortage of parts. But now the problem is people.

Despite the heavy publicity surrounding the scandal, many drivers evidently haven't heard of the recall or haven't grasped how serious the defect is because it hasn't given them any trouble.

As a result, GM has been forced to go beyond the usual ominous-sounding recall letters.

It has sent out Facebook messages and made phone calls to owners of the cars, mainly Chevrolet Cobalts and Saturn Ions. CEO Mary Barra has even sent a personal letter urging people to get the switches replaced.

"In some cases we've gone to the owners' home and gotten the vehicle, gave them a loaner, and are working to fix it," Barra said last week

GM announced in February and March that it was recalling the cars after taking more than a decade to disclose the defect, now linked to at least two dozen deaths.

The switches can slip out of the run position, causing the engine to shut off. That can knock out power-assisted steering and disable the air bags.

Despite recall letters that bluntly warn that the defect can lead to injury and even death and despite five congressional hearings and thousands of news stories about the furor - only about 1.16 million of the 2.36 million affected vehicles still on the road have been brought in for repairs.

One of the unrepaired cars belongs to Kim Atkins, a media relations specialist in Austin. Texas. who received recall notices in April and June for her 2007 Cobalt. Busy with moving back to her hometown from college and starting a new job, she ignored them both.

"I didn't think it was very serious just from the wording on the recall notice," said Atkins, 24. "I'm sure that it was important. I didn't get a sense of what the actual issue was, just neglected to do it.'

Atkins said her fiance is mad at her for dallying. Now, she has made an appointment to bring her car into the shop this week. She has also removed everything from her keychain as instructed bv GM.

Because the recalled cars are no longer produced, parts supplier Delphi Automotive had to bring machinery out of mothballs to start cranking out replacement switches.

Repairs finally began in April when the replacement switches started to arrive at dealers. Just recently, GM announced that Delphi had made enough to fix all the cars.

Barra said the challenge now is to find those people who "have still not called the dealership and said, 'Hey, let's get my car scheduled."

GM's extraordinary efforts to reach people were part of an agreement that ended a federal investigation into why the automaker failed to promptly disclose the switch problem.

It's not unusual for some car owners to ignore recall notices. The average completion rate one-and-a-half years after a recall begins - is 75 percent, according to federal safety regulators. But few recalls are as serious as this one.

Kenneth Feinberg, the lawyer handling compensation claims for GM, last week raised the number of deaths attributed to the defect to 24. That toll is likely to rise as he handles more cases.

Among the 24 is Virginia law student Lara Gass, 27, who died in March when her 2006 Saturn Ion rear-ended a tractor-trailer and caught fire on Interstate 81 while she was on her way to work as a law clerk for a federal judge.

Witnesses told her family's lawyer, Bob Hilliard, that the air bags did not inflate, an indication of a defective switch.

At the time of the crash, GM had announced the recall and was sending warning letters. But the parts weren't yet available.

Hilliard didn't know if Lara had removed everything from her keychain. Her family recently accepted a settlement from Feinberg for an undisclosed amount.

About one-third of those who haven't had the repairs done are people with children, while onefifth are young people without children, GM spokesman Terry Rhadigan said.

Usually those people who don't get their cars repaired are the ones who haven't seen any symptoms, said John O'Dell, senior editor for the Edmunds.com automotive website.

"People just don't want to be bothered," O'Dell said. "They don't see this as a problem. 'It's not happening to me.' Then they just forget about it."



#### To Provide Customer 'AAdvantages

have formed a partnership to offer a broad series of exclusive benefits to travelers, ranging from luxury, on-site airport transfers to AAdvantage miles earning opportunities.

American and Cadillac currently offer a luxury airport transfer program at Los Angeles International Airport.

program This identifies ConciergeKey members with tight transfer times and escorts them to their next gate of departure in a Cadillac CTS, SRX or Escalade.

By the end of this year, American plans to roll out this program to Dallas/Fort Worth International Airport, New York's La-Guardia Airport and John F. Kennedy International Airport, pending local approvals.

"American and Cadillac are two iconic American brands, both in the process of redefining

American Airlines and Cadillac the contemporary American luxury experience," said Suzanne Rubin, president, AAdvantage Lovalty Program.

This is just the beginning of the opportunities we see with our partnership with Cadillac, and we are thrilled to be able to offer these benefits to our customers."

The partnership contains benefits for all AAdvantage members, Acosta said.

Later this month, customers can earn AAdvantage miles in exchange for test driving a new Cadillac.

Members can earn 7,500 AAdvantage miles when they call a service desk and register a time to test drive a Cadillac at a nearby dealership.

"Traveling in style is a shared interest of premium customers the world over," said Uwe Ellinghaus, Cadillac's chief marketing officer.

i2,905, 2015 Endave-FWD \$2738, 2014 Verano \$350, 2014 Lac valer Bonus Certs. While Supplies Last \*\*Pull ahead program off e Base - 1SB \$1,775, 2015 ole Cab \$1,975, 20'



# 2014 ELR COUPE



# GM's 2014 China Sales Are Expected to Top 3.1 Million

SHANGHAI (AP) – General Motors Co. expects its sales in China this year to top 3.1 million units and sees no impact on business from an anti-monopoly probe of the industry, the president of the automaker's China unit said Sept. 24.

Sales growth for GM and its Chinese partners should be slightly ahead of total market growth forecast at 8 to 10 percent, Matt Tsien told reporters.

GM and other global automakers are looking to China, the world's biggest auto market by number of vehicles sold, to drive revenues and are investing heavily to appeal to Chinese tastes.

GM sales should exceed last year's 3.1 million vehicles, Tsien said, though he said he didn't know what the total would be. Last year's sales grew by 11.4 percent over 2012.

China's auto market has cooled as the economy slowed this year, with sales growth tumbling from 13.9 percent in May to 8.5 percent in August.

Tsien's optimistic comments come in the midst of a sweeping investigation of the auto industry by anti-monopoly regulators.

Audi and Chrysler have been fined on charges they improperly set minimum prices for vehicles or service. A group of Japanese auto parts suppliers were fined on charges they colluded to fix prices.

Regulators have not accused GM of wrongdoing.

Tsien said GM has responded to government requests for information but did not consider it an investigation.

"It has no impact on our business or operations," he said.

Also this year, GM's total sales in China since production began

in Shanghai in 1999 should reach 20 million, Tsien said.

Sales by the Cadillac luxury unit should rise to about 70,000 vehicles this year, he said.

"We believe the luxury market here in 2016 will be the largest luxury market in the world," Tsien said.

The government announced rules last week aimed at lowering prices for spare parts by requiring automakers to allow them to be sold through other retailers. Buyers have complained that automakers abuse their control over supplies of parts to charge excessive prices.

An official cited earlier by the government's Xinhua News Agency said prices charged by Mercedes for spare parts were so high that purchasing the components used to make one Mercedes C-class car would cost the equivalent of 12 vehicles.

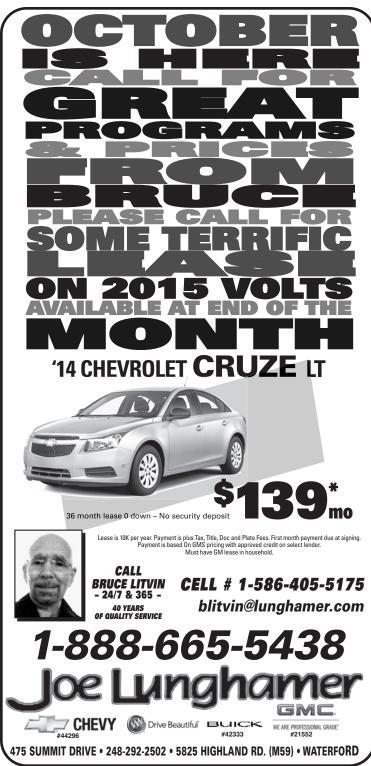
Asked whether dealers had expressed any concern about the future of their relationship with GM, Tsien said, "No, no."

## Chrysler Supplier Training Slated

Registration is open for Chrysler's Fall Supplier Training week, which is taking place Oct. 20-24 at Chrysler's headquarters in Auburn Hills.

The event, which is hosted by Chrysler's Purchasing and Supplier Quality division, offers suppliers the chance to improve communications with Chrysler while learning ways to improve efficiency.

The cost is \$100 until Oct. 16. Walk-ins will be charged \$150. To register, suppliers should go to chryslertraining.com.



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# Engineers Were Diving from Cars When GM's Milford Proving Ground Opened in 1924

Some examples:

area to sit on.

• Patent-pending

• Belt assurance system: The

• Front-center air bag: GM was

the first manufacturer to intro-

duce the feature in 2013 on all

full-size crossovers. It will also be

on the new 2015 full-size utilities.

was the first North American

auto manufacturer to build a

rollover test facility, which

1980s, GM's safety team devel-

oped several specialized dummies, including the Hybrid III,

that since have become the uni-

versal standard for frontal crash

testing and remain so today

brook site in England was con-

structed in the 1960s by the GM

subsidiary Vauxhall. The two-

mile, five-lane high-speed track

came into use in 1969, and con-

Milford proved to be a successful concept and GM's Mill-

Test dummies: In the early

• Rollover test facility: GM

industry-first - that keeps driv-

ers from shifting from "park" if not buckled up – will be launch-ing in Q4 of 2014 on a limited

group of fleet vehicles.

opened in 2006.

across the globe.

CONTINUED FROM PAGE 1

In 1964, then-site director Louis Lundstrom noted that the Proving Ground started out with 1,125 acres of land and seven miles of road. Its largest building had 12,000 square feet of floor area.

By 1964, the facility was up to 4,011 acres of land and had 40 buildings.

to this," Lundstrom "the 2,554-acre Desert "Add wrote. Proving Ground in Mesa, Ariz., with its 20 buildings, 87,381 square feet of floor area and 17 miles of road. This facility began operation in 1953; operations at the old Phoenix Lab started in 1937.'

Now, Ecclestone said, the Milford Proving Ground has 140 buildings on its 4,000 acres and the Desert Proving Ground moved to an old military base in Yuma, Ariz., about a decade ago.

Ecclestone said that GM also has a cold-weather proving ground in Kapuskasing in northern Ontario, near Hudson Bay.

The site opened up in 1973 with engineers working with vehicles from local dealerships to test specific components and systems. It has grown into a much more sophisticated operation designed to make sure that GM's vehicles work in cold weather.

"GM was the first to build a proving ground (which was in Milford)," Ecclestone said. "Now it has winding roads that duplicate the conditions of roads all around Michigan.

"It has topographical features that match what people drive on, including graded hills.

'That's important – that our cars be tested on roads that actually match what our customers drive on."

While computers are commonplace today, the proving ground didn't get its first computer until 1958, and it was under the control of the Noise and Vibrations Laboratory, Lundstrom wrote. In 1961, the proving ground got two more computers.

Ecclestone said GM has always tried to have state-of-the-art equipment at the site.

eral Motors Co. slid as much as 5

percent in midday trading Oct. 7

after an analyst cut his earnings

GM has the same problems as

estimates

target.

and stock price

GM has provided customers struction of other sections con-

**Local Auto Analyst Predicts Lower** 

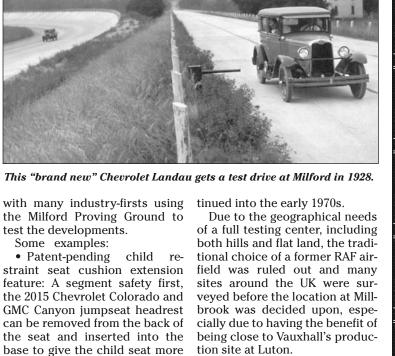
**GM Profits Than the Company Says** 

DETROIT (AP) - Shares of Gen- compensation expert Kenneth Feinberg.

Jonas sliced his 2014 earnings estimate by 3 cents to \$2.76 per share.

But he knocked 9 percent off next year's estimate to \$3.62 per rival Ford, which warned last share, 11 percent off his 2016 esweek that it would fall short of timate to \$3.57 per share and 24 percent off his 2017 estimate to \$2.86 per share. He wrote that the U.S. auto cycle is peaking, and GM's market share isn't improving enough given its strong new product offerings. GM's strategy of consolidating its number of vehicle architectures from 22 in 2010 to four by 2025 is the correct choice, but will require a sacrifice of short-term profitability, Jonas wrote.

tion site at Luton.





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ranty and recall costs, foreign exchange differences and economic troubles in Russia and South America, Morgan Stanley analyst Adam Jonas wrote in a note to investors

full-year profit goals due to war-

"We believe many elements from Ford's recent profit warning are applicable to GM's outlook through 2015 and beyond," Jonas wrote.

"They didn't warn, so we're doing it for them."

Jonas cut his one-year GM stock price target to \$27 from \$29, and he cut annual earnings estimates for 2015 through 2017 by 9 percent to 24 percent.

GM shares have dropped 21 percent so far this year and are below the \$33 initial public offering price from November of 2010. GM has been mired in an ignition switch recall crisis much of the year.

The switches in older-model small cars have caused crashes leading to at least 24 deaths, according to findings by GM's

Auto companies save millions, if not billions, of dollars by building many vehicles off a single architecture.

Jonas conceded that his earnings estimates are well below the consensus of other analysts - 20 percent below in 2015 and 16 percent lower in 2016.

GM spokesman Jim Cain disputed Jonas' conclusions.

'We have a clear purpose, a good plan.

"We're confident and we're focused on execution," he said in a statement.

# Henkel Bonds with Customers at Open House

By Jim Stickford

There's more than one way to get a job done, and that's what the people at Henkel's North American Adhesives in Madison Heights wanted to demonstrate at their Sept. 30 open house.

"There has been a great change in the auto industry,' said Scott Pergande, who leads the North American Adhesives Steering Unit at Henkel Corporation.

"One reason we had the open house for our clients is to show them that we are a couple of steps ahead of the market.'

Pergande said that adhesives have become more important in the production process as automakers use new materials as part of their efforts to reduce vehicle weight.

'Take aluminum, for example," Pergande said. "It's being used more as a weight-reduction material

"We have technology that enables us to bond different materials together, such as carbon fiber and different types of plastics not commonly used before.

There are different types of steels and aluminum grades that need to be joined together and we can do that with our adhesives.'

The end result is that automakers are now able to take out weight in vehicles while improving quality.

'A few years ago, there were about 18 pounds of adhesive in the average vehicle," Pergande said

"That number is up to 27 pounds.

"Automakers are using adhesives because they work. Adhesives improve reliability and quality while allowing manufacturers to use materials they otherwise might not have been able to use."

This is important, Pergande said, because it's not possible to weld dissimilar materials together such as steel and aluminum. But it is possible to use adhesives to bond them together.

Adhesives, Pergande said, offer significant advantages over traditional joining methods, such as welding, bolting and screwing.

Some advantages:

• Ability to join dissimilar materials, essential in lightweighting efforts.

• Ability to distribute stress more evenly across the joint.

• Stress relief in structural joints compared to fasteners and spot welding.

• Cost effectiveness of an easily mechanized process.

• Improvements in aesthetic design.

Because of these advantages and advances, many industries have been using adhesives to reduce or replace traditional joining methods – including the automotive, aerospace and construction industries, Pergande said Adhesives have been replacing welds and metal fasteners in vehicles and other transportation equipment for decades, Pergande said In the 1960s, epoxies/plastisols replaced welding in hood assembly. In the 1980s, urethanes replaced mechanical fasteners in windshield placement and foamed epoxies replaced mechanical fasteners in automotive pillars.

increase product speed, reduce reject rates, improve solvent resistance and facilitate superior bonding, Pergande said. Originally introduced in the 1960s, UV curing is now widely used in a variety of industries - including automotive

"We estimate that by using UV cure versus heat cure to produce foam gaskets, floor space will be reduced from approximately 60 feet to 10 feet - while decreasing cure time from 10-20 minutes to 20-30 seconds," Pergande said.

"Adhesives are expanding bevond traditional uses of simply joining materials together. Hot melt adhesives like Henkel Technomelt Low-Pressure Molding are being used to seal sensitive electronic components.'

He added that traditional rubber compression gaskets are being replaced with liquid gaskets. Liquid gaskets are less expensive, eliminate the need to handassemble precut or molded gaskets and can withstand aggressive vehicle environments, such as the vehicle powertrain.

Advances in Resin Transfer Molding for composites enable shorter injection times and support a great increase in volume production, which went from 20,000 to 30,000 per year to 200,000 to 300,000 per year volume, Pergande said.

Adhesives also are used to reduce vehicle noise. Henkel Liquid Applied Sound Deadeners (LASDs) are applied directly to the vehicle body and keep unwanted exterior noise from entering the vehicle passenger cabin.

LASDs are more effective sound dampeners compared to traditional bitumen pads, said



Henkel's Rory Walters, right, talks about sealants to customers.

Pergande, and weigh 20 to 40 per- materials," Pergande said. cent less than traditional pads.

"All this new technology and these new manufacturing techniques really allow the manufacturer to explore how to use different types of

"We're excited as an organization about this and we're seeing a lot of excitement in the auto industry as well.

"This is an exciting time to be in the carmaking business."



More recently, silicones have replaced welding in automotive wire wheels.

"There have been major strides in curing," Pergande said. "Now, we're able to offer instantaneous curing to our customers. Ultraviolet curing uses high-intensity light to instantly cure 'dry' inks, coatings or adhesives."

UV curing has been shown to

