Auto industry’s role in Green Economy Policy Summit kicks off Public Policy Days at the 2012 WAS

The 2012 Washington Auto Show’s first industry day on Capitol Hill last week concluded with a premise followed by a supposition. The premise: the U.S. auto industry has and continues to be one of the largest job providers in the Green Economy. The supposition: should the federal government ever develop a coherent energy policy, the auto industry could become the biggest creator of jobs in the country. This is where two symposium panels of distinguished auto industry observers netted out at the Policy Summit, entitled Driving Innovation: The Role of the Auto Industry in the Green Economy, that took place in the historic Caucus Room of the Cannon House Office Bldg.
The Policy Summit, put on by the Capitol Hill focused National Journal, underwritten by The Washington Auto Show, spotlighted the state of the auto industry and jobs in the context of existing and prospective advanced technologies. The first panel featured presentations with Sen. Jeff Merkley, (D-OR) and Tim Wiseman, Toyota Motor Sales, chief of communications. The second panel was comprised of Green Car Journal publisher Ron Cogan, and Alan Krupnick, director of the Resources for the Future Center for Energy and Policy, Rebecca Lindland of IHS Global Insight, and Scott Paul, head of the Alliance for American Manufacturing. It kicked off two days of OEM press conferences, preview receptions and honors tied to The 2012 Washington Auto Show (WAS) at the Walter E. Washington Convention Center, which opened to the public Friday Jan. 27 for ten days running through next Sunday, Feb.5.

The Driving Innovation Summit, which was moderated by National Journal economics, energy and environment reporters Jim Tankersley and Amy Harder, drilled down on how regulations and government policy drive automotive design and innovation choices and how best to channel them for maximum job creation. Jim Wiseman of Toyota noted that safety and fuel economy regulations have fostered technical innovation and job growth in the industry, but more is required on the consumer demand side of that equation. There is no point in emphasizing ultra-fuel efficiency, he observed, if such vehicles are impractical and too expensive for car buyers. By a careful balance of the best of advanced technology and consumer demand, Wiseman pointed out that Toyota has been able to expand its U.S. operations and workforce despite the recession and its fallout. “We continue forging ahead positively so long as the U.S. maintains coherent, workable
energy policies,” referencing Toyota’s new plant in Mississippi, which builds the hybrid Camry and Prius models, where 2,200 new workers have been employed.

“We can talk all we want about energy independence, but until the U.S. has an energy policy that supports its CAFÉ policy we will never achieve it,” said Mike Stanton of the Global Automakers. “This is a critical role for government,” he said, noting that with such a federal policy the industry more likely would invest in the required research and development, as well as the auto parts and manufacturing facilities that are the foundation for job growth.

Sen. Merkley made the same point in his remarks, noting that his home state of Oregon was embarked on a joint state/federal program to build an electric charging grid along its major North/South corridor to encourage the development and sale of plug-in hybrid and all electric vehicles. “Those efforts are aimed at addressing the demand side of high-mileage, energy saving vehicles while at the same time creating plenty of jobs,” he said. The Oregon effort to build the vehicle charging grid is one of several across the country under a plan passed by Congress to have as many as one million electric vehicles on the road by 2015.

Rebecca Lindland buttressed the discussion on an optimistic note, saying that IHS Automotive researchers concur with other industry forecasters in calling for 14 million new vehicle sales in the U.S. this year, which would positively impact U.S. employment in “here and now terms.”

Auto industry sees better days ahead as optimism reigns at 2012 Washington Auto Show Public Policy Day

Signs of an auto industry in recovery are popping up everywhere these days, and nowhere was it more evident than at Public Policy Day last Thursday Jan. 26, at The 2012 Washington Auto Show (The WAS). From the day’s opening presentation from Deputy Secretary of Energy David Sandalow, through the late afternoon launch of the Advanced Technology Superhighway pavilion by DOT Secretary Ray LaHood, and all the press conferences in between, “sustained recovery” and “bright future” and “America’s back!” were the operative words of the moment. Indeed, the show halls brimmed with a myriad of Auto Show industry day presentations and announcements that exuded irrepressible confidence and upbeat spirit.
Sec. LaHood said the Obama administration had been correct to support General Motors and Chrysler with the historic bailout funds in 2009, noting that GM had already returned to its position as largest automaker in the world and Chrysler was well on its way to a full recovery. “Along the way we saved a million jobs and are in the midst of creating 100,000 more,” he said, referring to the multiplying effects of an auto industry in recovery.

“Three years ago going to an auto show was almost like going to a funeral, but look at it today,” LaHood said to a packed press conference: “it’s like going to a wedding reception!”

“Here at the Washington Auto Show you can still see what is possible in America,” he said, noting that the Obama administration had made it possible for the auto industry to make the “hard choices” that saved it, jobs and the economy. “This is the story of what America is all about– picking ourselves up, dusting ourselves off and getting on with the job at hand.”

DOT Sec. LaHood (L) with WAS chairman Robert Fogarty and Global Automakers CEO Mike Stanton (R)

DOE Deputy Secretary Sandalow remarked that higher fuel economy standards and government incentives to develop alternate fuel systems for cars and trucks, like plug in electric vehicles and fuel cells, would also pay off for the auto industry. “We are only in the infancy of these technologies,” he said, “but as the pressure on carbon based fuels increases, the U.S. industry will benefit from being at the forefront of these alternative technologies.”

That thread was also picked up by Sen. Jeff Merkley (D-OR), who is championing a measure in the Congress to build electric vehicle charging stations across the country. “Demand for hybrid and electric vehicles will continue to increase and we must be ready to support that demand,” he said. “This will be essential if the U.S. government is to achieve its goal of energy independence,” he said.

Industry keynote speaker Dave Zuchowski, executive vice president of Hyundai Motors America, said his company was well on the way to helping U.S. car buyers reach energy independence saying that the corporate average fuel economy for Hyundai’s fleet is already at 36.1 mpg. Zuchowski noted this eclipses the federal standard of 35.5 mpg for 2015. He said further that Hyundai was poised to meet the even higher standard of 54.5 mpg by 2025 with the development of hybrid and fuel cell models now in the development queue. Between now and then, Zuchowski said he believes U.S. new vehicle sales could reach 16 million as early as 2014.

Jonathan Browning, president and CEO of Volkswagen of America, also sounded a note of high optimism about U.S. sales and the certainty of his company achieving rising fuel economy standards. “Pent up demand is building and we are very optimistic
for this year,” he said. VW had record U.S. sales in 2011 on the strength of its Jetta model, one of which, the Jetta TDI, being named Motor Trend Car of the Year.

Browning said VW was intensifying its *Think Blue* initiative with models like the EBug, the all-electric concept it unveiled at the beginning of the year and the “first-of-its-kind” turbo hybrid Jetta, which it will launch at the end of 2012. That vehicle will achieve 45 mpg and do 0-60 mph is less than 9 seconds.

Mark Reuss, president of General Motors North America, said he too saw good times ahead, noting that GM’s launch of a wide variety of new models across its nameplates had resonated worldwide with consumers.” We are going to keep that up with new models and technologies in every segment,” he said. Reuss also made a point of noting GM’s dedication to limiting the “life cycle” impact of GM models on the environment announcing that all Chevrolet models going forward will bear an “Ecologic” sticker on the rear windshield showing the net impact of its production, use and recycling.

**Sneak Peek Preview once again a “Big Hit” with official Washington**

“Official Washington” turned out in force for the annual “Sneak Peek” Preview of The 2012 Washington Auto Show (The WAS), as the visit of Rep. Mike Kelly (R-PA), the outspoken former car dealer turned congressman, illustrates. Along with members of Congress, show floors at the Preview swelled with a record attendance last Thursday evening, Jan. 26, with senior Hill staff, Obama administration operatives...
and key industry executives. Driving the uptick in Preview attendance was an unmistakable enthusiasm among official Washington attendees that the industry was again back on its game.

“The WAS Sneak Peak Preview has always been a great way to assemble industry executives and federal leaders under one roof and foster discussion and understanding of the auto industry in a relaxed social setting amidst a veritable sea of cutting edge new vehicles,” said WAS chairman Robert Fogarty. “What is most encouraging is the enthusiasm and optimism evident among product specialists and show visitors alike for what’s on display, which frankly hasn’t been as evident in recent years as now,” he said.

Ford C-MAX Energi wins 2012 Green Car Vision Award

The C-MAX Energi, Ford’s first-ever plug-in hybrid vehicle, is the winner of the Green Car Vision Award for 2012. Green Car Journal publisher Ron Cogan, in photo on left, made the presentation during Public Policy Day, Jan. 26, at the Washington Auto Show, to Sue Cischke, Ford’s head of environment and safety
engineering. Ford also won the Green Car Vision Award in 2011 for its Focus EV.

Cogan said the C-Max Energi was selected for the use of its *powersplit*-hybrid architecture and advanced lithium-ion battery technology. This combined powerplant provides for a driving range in excess of 500 miles with excellent driving characteristics. The highly-efficient plug-in is expected to come to market in late 2012 and is built on the same global C-car platform as the Ford Focus.

To be considered for the Green Car Vision Award, vehicles must be well on their way to commercialization, but not yet on sale, in small volume production with more than one functional prototype in existence, or operating as part of a demonstration fleet. Ford has two C-MAX Energi 5-door models on display at the 2012 WAS.

**Mayor Gray welcomes industry to WANADA Member Reception, lauding Washington’s “Public Policy Auto Show”**

DC Mayor Vincent Gray heartily welcomed OEM and dealer attendees to WANADA’s Member Reception at the Auto Show, which preceded the Keith Crain/Automotive News Lifetime Achievement Award Dinner last Thursday, Jan 26, where he took the opportunity to publicly commend The Washington Auto Show for its status as The Public Policy Show on the global industry circuit.

“All the hard work and cooperative effort between WANADA, the auto industry and the city that has gone into building The Washington Auto Show at this magnificent Walter E. Washington Convention Center has paid off,” he told the crowd of nearly 500 attendees. “The Washington Auto Show has, indeed, arrived and I’m personally proud to have had a hand in that,” the mayor said, referring to visits he has made with WAS organizers to talk to OEMs at other tier one auto shows.

SRT, the performance division of Chrysler, presented Keith Crain/Automotive News Lifetime Achievement Award winner, Roger Penske, with its own award for his NASCAR affiliation. SRT, along with Bosch and the Auto Alliance, were sponsors of the WANADA reception and KC/AN LFA dinner.
Roger Penske honored with Keith Crain/Automotive News Lifetime Achievement Award

Roger Penske, a man whose name is synonymous with success and excellence in the world of auto racing and the automobile business, became the fourth winner of the Keith Crain/Automotive News lifetime Achievement Award at a reception and dinner in his honor on Thursday, Jan 26, at The 2012 Washington Auto Show (WAS).

The occasion, rolling out during the course of the WAS Sneak Peek Preview, drew an overflow crowd of industry supporters and well-wishers to the Walter E. Washington Convention Center to recognize a man whose racing teams have won not only a record 15 Indianapolis 500 races, but scores of victories in other racing series. In like form, Penske has distinguished himself mightily in automotive retailing with literally hundreds of dealerships worldwide.

Penske was welcomed to the city by Mayor Vincent Gray during the WANADA Reception that preceded the dinner and was also presented a special award by Ralph Gilles, president of SRT, which crafts and incorporates high-performance offerings for the Dodge, Chrysler, and Jeep brands, along with various motorsport and racing operations. (See article immediately preceding this one).

The award dinner festivities were commenced by WANADA chairman Chip Lindsay (Lindsay Automotive) followed by a tribute from GM North America president Mark Reuss, who said he had known Roger Penske since childhood. At GM, Reuss brought Penske Racing back to Chevrolet for the 2012 Indianapolis 500 race. Reuss praised Penske for his numerous efforts to boost the city of Detroit, which, besides bringing Indy Racing there was instrumental in landing the Super Bowl in the Motor City. “Roger Penske is a man who knows how to get things done right and with perfection,” Reuss said.

Those sentiments were echoed by AN publisher Keith Crain in presenting Penske with his Lifetime Achievement Award. “Roger, or Captain as he is affectionately known by his teams, friends and business associates, is one of those few people who excel at everything he does,” Crain said. “He doesn’t just give back to the community, he takes charge to ensure the benefits are delivered,” Crain added.
In accepting the Lifetime Achievement Award, Penske responded it was a “highlight” of his career, but that he was accepting it on behalf of the 35,000 plus employees in his organization who have all bought into his belief that “effort equals results.”

**Rep. Steny Hoyer salutes “wounded warriors” during Toyota dealer dinner at the WAS**

Minority Whip Steny Hoyer (D-MD), made a special visit to The 2012 Washington Auto Show last Friday, Jan. 27, to meet and greet disabled military veterans being recognized and treated to dinner and a show by the Washington Area Toyota Dealers.

The veterans, all members of the “wounded warriors” who are being rehabilitated for their war zone injuries through The National Institutes of Health (NIH), were being given a tour of the Auto Show, along with their families, to enhance their night out.

“It is a great honor for us to make it possible for these special veterans and their families to enjoy the Washington Auto Show and allow us to thank them, face to face, for their brave service to our country,” said Tammy Darvish of DARCARS, the organizer of the event for the Toyota dealers and a former Auto Show chairman.

Echoing Darvish’s sentiments, Congressman Hoyer told the veterans “the nation is in your debt for service in our armed forces, far above and beyond the call of duty.” Putting it in Washington terms, Hoyer quipped that while Democrats and Republicans in Congress don’t agree on much, they wholeheartedly and consistently come together in support of our troops. “You veterans here tonight, injured in harm’s way on behalf of the rest of us, represent the nation’s finest and we want your families to know, unequivocally, that America could not be more proud of you.”

**Thought for the week …**

*We’ve gone from being at a funeral to attending a wedding reception.*

--Ray LaHood, Sec. of Transportation

On the resurgence of the auto industry at The 2012 Washington Auto Show