

BUSINESS

with supply short, Ford dips toe into computer chip business

Ford Motor Co. is in talks with a computer chip maker to shore up its semiconductor supplies and avoid a repeat of this year's auto factory shutdowns caused by semiconductor shortages.

Full details of the nonbinding agreement with GlobalFoundries Inc. were released, but the deal aims to boost supplies with joint development of automotive-grade chips. And it could result in joint manufactur-

ing to support the auto industry, the companies said Thursday in a prepared statement.

Ford has been hit particularly hard by a global chip shortage that has weighed on nearly every automaker. Like other companies, Ford at times has had to temporarily close auto plants and even build models without some computers, and installing them later. The company's U.S. sales fell 27% from July through

September and it lost 2.4 percentage points of market share largely because it couldn't produce enough vehicles to meet consumer demand.

"This agreement is just the beginning, and a key part of our plan to vertically integrate key technologies and capabilities," said CEO Jim Farley, who is pushing Ford to develop more of its supply chain to ensure the parts keep flowing.

Spokeswoman Jennifer Flake said the companies are at the "memorandum of understanding" phase of their relationship but want to work together to design chips and possibly leverage their manufacturing experience.

GlobalFoundries, based about three hours north of New York City in the town of Malta, says on its website that it has chip factories in the U.S., Germany and Singapore. (AP)



In this file photograph, the blue oval logo of Ford Motor Company is shown in east Denver. (AP)

Electric market seems designed so far to serve luxury buyers instead of a mass audience

Biden pushes electric vehicle chargers as energy costs spike

DETROIT, Nov 20, (AP) — President Joe Biden punched the accelerator on a battery-powered Hummer, causing the wheels to squeal and the truck to jet forward as he tried to drive the country toward an electric vehicle future.

The engine was quiet as the president pulled up to a waiting delegation of reporters and officials.

"Anyone wanna jump in the back?" Biden asked.

The president had just toured a General Motors plant in Detroit to showcase how his newly signed \$1 trillion infrastructure law could transform the auto industry.

He is highlighting billions of dollars in his giant bipartisan infrastructure deal to pay for the installation of electric vehicle chargers across the country, an investment he says will go a long way to curbing planet-warming carbon emissions while creating good-paying jobs. It's also an attempt to leapfrog China in the plug-in EV market. Currently, the U.S. market share of plug-in electric vehicle sales is one-third the size of the Chinese EV market.

As Biden toured the plant, he noted that the US was not yet leading with electric vehicles, something he believes his infrastructure package and additional investments in clean energy can change. The Hummer he drove has a starting price of \$108,700, as the electric market seems designed so far to serve luxury buyers instead of a mass audience.

"China got way ahead of us," the president said.

Two top White House advisers, writing in the Detroit Free Press, said the legislation will help America regain its global competitiveness, which has waned, they contend, "after decades of delay and decay."

"Nobody knows this better than Detroit, which has been at the heart of American industrial strategy in the past and now can again, which is why President Biden is coming today," wrote Brian Deese, director of the National Economic Council, and national security adviser Jake Sullivan in an opinion column published Wednesday.

Republicans, even some of those who voted in favor of the infrastructure package, are criticizing Biden for being preoccupied with electric vehicle technology at a time when Americans are contending with a spike in gasoline and natural gas prices.

Senate Republican leader Mitch McConnell took the Senate floor Tuesday to make the case that "the Biden administration doesn't have any strategic plan to snap its fingers and turn our massive country into some green utopia overnight."

"They just want to throw boatloads of government money at things like solar panels and electric vehicles and hope it all works out," said McConnell, one of 19 GOP senators who voted in favor of the infrastructure bill. He added, "American families are staring down the barrel of skyrocketing heating bills, and the Democrats' response is to go to war against affordable American energy."

White House press secretary Jen Psaki has stressed that the administration is looking at "every tool in our arsenal" to combat high gasoline prices, saying that Biden and his economic team are "quite focused" on the issue.

Biden has asked the Federal Trade Commission to monitor gasoline prices and address any illegal conduct being observed and is engaging with countries and entities abroad like OPEC on increasing supply.

Biden went a step further Wednesday, sending a letter asking the FTC chair to consider investigating "whether illegal conduct is costing families at the pump." The letter noted an "unexplained" gap in the price of unfinished gasoline and prices for consumers at the pump.

The GM plant Biden visited was slated to be closed in 2018 as the automaker tried to shed excess factory capacity to build sedans as buyers shifted toward SUVs and trucks. But the plant, which built cars with internal combustion engines since it opened in 1985, was rescued a year later and designated Factory Zero to build zero-emissions electric vehicles.

Currently, the 4.1 million-square-foot plant, which straddles the border between Detroit and the enclave of Hamtramck, is making pre-production versions of the electric GMC Hummer pickup truck.

Next year it will start making a Hummer electric SUV. The plant will start cranking out the Origin, an electric vehicle for GM's Cruise autonomous vehicle subsidiary, in 2023, and an electric Chevrolet Silverado pickup at an unspecified date.

The plant won't see much direct impact from the infrastructure spending, but it will benefit from \$7.5 billion designated to help build an electric vehicle charging network.

Biden wanted \$15 billion to build 500,000 chargers and hasn't given a number for how many could be constructed for half that amount.

It's likely \$7.5 billion won't be enough. The International Council on Clean Transportation says the U.S. will need 2.4 million charging stations by 2030 if 36% of new vehicle sales are electric. Currently there are about



President Joe Biden arrives to speak during a visit to the General Motors Factory ZERO electric vehicle assembly plant, Wednesday, Nov 17, 2021, in Detroit. (AP)

'Glitchy' features dent electric SUV reliability

'The powertrains aren't the problem'

DETROIT, Nov 20, (AP) — Electric SUVs generally are among the least reliable vehicles on the road, but it's not because of the batteries or electric motors that power them.

Instead, it's because of glitch-prone electronics including climate controls and power equipment, the annual auto reliability survey of subscribers by Consumer Reports found.

Electric SUVs were the least reliable category in the annual survey of subscribers to the magazine and website who collectively own more than 300,000 vehicles. Tesla's Models X and Y, the Audi E-Tron and Volkswagen ID.4 were among the vehicles singled out as having problems in areas other than the electric powertrain.

In contrast, compact and plug-in gas-electric hybrids led by the Toyota Prius and Prius Prime and the Honda Insight were the most reliable category, said Jake Fisher, senior director of auto testing for Consumer Reports.

45,500 charging stations nationwide with about 112,000 plugs.

Biden is hoping to do even more to promote electric vehicles, including a provision for a \$7,500 tax credit for consumers who buy electric vehicles through 2026 that's been floated as part of his proposed \$1.85 trillion social services and climate bill.

The following year, only purchases of electric vehicles made in the U.S. would qualify for the credit. The base credit would go up by \$4,500 if the vehicle is made at a U.S. plant that operates under a union-negotiated collective bargaining agreement. Only auto plants owned by GM, Ford Motor Co. and Stellantis NV qualify.

The tax break favoring American-made vehicles could be a point of tension when Biden hosts Canadian Prime Minister Justin Trudeau and Mexican President Andrés Manuel López Obrador at the White House on Thursday for the first North American Leaders Summit since 2016.

Canadian Foreign Minister Melanie Joly said she raised concerns with Secretary of State Antony Blinken when the two met in Washington last week that the proposed tax credit would have an adverse impact on North America's integrated auto industry and put thousands of jobs in Canada at risk.

Overall, Japanese brands led by Lexus, Mazda, Toyota and Infiniti took eight of the top 10 spots in the reliability survey. General Motors' Buick brand finished fifth, and BMW's Mini was 10th.

Ford's Lincoln luxury brand finished last of 28 brands with Tesla, Jeep, Genesis and Volkswagen rounding out the bottom five.

Electric vehicles, with far fewer moving parts, should be more reliable than gas-powered vehicles, Fisher said. But electric SUVs tend to be higher-priced luxury vehicles at present, and those have all the latest technology that can cause trouble, he said.

"The powertrains aren't the problem," Fisher said. Instead, the electric SUVs often are equipped with electric door handles, electric-activated climate control vents and other features. "By having all of these new technologies saddled into these early adopter-mobiles, there are more problems associated with them."

Fisher said electric vehicles are likely to be more reliable than gas-powered ones as manufacturers work the bugs out of their features.

The Lexus GX SUV was the most reliable model in the survey, followed

by Kia's Niro electric vehicle, the Toyota Prius Prime plug-in hybrid, the Prius hybrid and the Cadillac XT5 sedan.

Least reliable were the Mercedes GLE, Ford Explorer, Ford Mustang, Chevrolet Silverado and GMC Sierra 1500, and the Chevrolet Corvette, according to the survey.

Fisher said owners are reporting more problems with complex eight-, nine- and 10-speed transmissions that are designed for fuel efficiency, especially among some Hyundai, Kia, Subaru and Toyota models.

Tesla, the world's leading electric vehicle brand, was ranked near the bottom for reliability due to reports of body hardware problems, water leaks, trunks not closing and missing weather stripping, Fisher said. There also were problems with a new heat pump system to heat the passenger compartment and defrost the windshield, he said. Tesla's Model 3 sedan, with average reliability, was the only model recommended by Consumer Reports.

Lexus, Toyota's luxury brand, traditionally is at the top of the survey because it's really conservative when rolling out new engines, transmissions and technology, Fisher said.

Subaru unveils first all-electric vehicle

EVs get spotlight at the Los Angeles Auto Show

LOS ANGELES, Nov 20, (AP) — Battery-powered vehicles will get top billing at the Los Angeles Auto Show, which opens this week after a year's hiatus due to the novel coronavirus.

Subaru, which has seen strong sales growth in the U.S. during the past decade, will unveil its first all-electric vehicle, a smallish SUV named the Solterra.

VinFast, a Vietnamese automaker that plans to start selling in the U.S. next year, will show off two all-electric SUVs.

Auto shows have been waning in importance because auto companies have decided to avoid the expenses and unveil vehicles at their own events. Automakers showing new vehicles have only 10 news conferences planned for the L.A. show this year, many from electric vehicle startups. In 2019, the show said it had 25 global reveals from automakers.

But the shows are still big draws for customers in metro areas who want to see what's new, all in one place.

Subaru's Solterra, about the size of a Forester gas-powered SUV, can go about 220 miles (350 kilometers) on a single charge, and will have the brand's trademark all-wheel-drive to

go off the road and handle inclement weather.

The automaker says the Solterra's lithium-ion battery can be charged with home alternating current chargers and also has the ability to handle DC fast charging on the road. Its electric motor puts out 215 horsepower.

Subaru says the five-passenger Solterra will go on sale sometime next year. The price was not released.

Vietnam's VinFast is introducing the VF e35 midsize and VF e36 large electric SUVs at the show.

Michael Lohscheller, the automaker's global chief executive, said VinFast plans to start taking orders in the spring and delivering vehicles in the U.S. in the fall. Initially the SUVs will be built at a new factory in Vietnam, but VinFast has plans to build a U.S. factory that would start producing in the second half of 2024. The company currently is looking at sites.

The VF e35 will have a maximum range of 310 miles (499 kilometers) per charge, while the larger e36 will be able to travel up to 422 miles (679 kilometers) per charge, Lohscheller said in an interview Wednesday.

He wouldn't reveal the prices yet.

VinFast, with a U.S. headquarters in Los Angeles, plans to sell vehicles through its own network of stores, with much of the order process done online. Already the company has plans for 60 stores in California alone. It also will have some service centers and mobile service, Lohscheller said.

"We would come to your home and fix it for you," he said.

VinFast is part of Vietnamese conglomerate Vingroup, which is providing capital to expand electric vehicle sales to the U.S. and eventually Europe, Lohscheller said. VinFast plans to do a U.S. public stock offering for further fund-raising in the next year or two, he said.

The company already is selling cars with internal combustion engines and electric powertrains in Vietnam, he said.

Los Angeles Auto Show promoters say it will have more test-drive opportunities than at past shows, including an indoor electric vehicle test track as well as outdoor test drives.

Press days for the show are Wednesday and Thursday, and it opens to the public from Nov. 19-28.



A Tesla Model Y Long Range is displayed on Feb 24, 2021, at the Tesla Gallery in Troy, Mich. Consumer Reports says electric SUVs generally are among the least reliable vehicles on the road, but it's not because of the batteries or electric motors that power them. Compact and plug-in gas-electric hybrids were the most reliable category. (AP)