

# Automotive News

## Some suppliers see dollars in a higher CAFE

Harry Stoffer

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**WASHINGTON** -- Most auto industry lobbyists are united against what they call "extreme" fuel economy proposals. But some companies see business opportunities in the proposals.

A case in point: Top executives of CellTech Metals Inc. last month pitched to lawmakers a new sheet metal that the executives said would help future light vehicles meet the toughest fuel economy standards Congress is considering.

The CellTech executives touted their product to, among others, Sen. Dianne Feinstein, D-Calif. She is principal author of a bill that would raise combined car and light truck standards to 35 mpg by 2020 -- about 40 percent higher than today.

That provision became a central part of an energy bill the Senate passed June 21, over the objections of most industry lobbyists. Debate on similar measures is pending in the House of Representatives.

CellTech got the equivalent of "a standing ovation" from lawmakers and staff members, says Doug Cox, the company's CEO. He was accompanied by Geosef Straza, a CellTech vice president whose family developed the sheet metal.

Cox told *Automotive News* that lawmakers and staffers said, "This is exactly what we've been looking for. We're tired of hearing endless negativity about being able to achieve a positive outcome to meet (fuel economy) standards."

### Do good, do well

Here is what 1 supplier told Congress it could do for the auto industry.

**The company:** CellTech Metals Inc.

**The product:** Stronger, lighter sheets, made by brazing together thin layers of steel

**The promise:** Vehicle fuel consumption cuts of 30% or more

### Balancing act

Did CellTech executives alienate automakers, their potential customers, by telling Congress they can help do what many in the industry say can't be done easily or economically? Maybe not.

For one thing, they were not alone. Leslie Goldman, a Washington lawyer who represents the advanced battery maker A123 Systems Inc., appeared at a Capitol Hill event with Senate Majority Leader Harry Reid, D-Nev., and other backers of far tougher fuel economy standards.

A123 Systems has a contract with General Motors, seeking tax credits for consumers who convert hybrid vehicles to plug-in hybrids. But the company also supported the Senate bill.

For another thing, auto industry executives understand the need for suppliers to seek advantages where they can.

"We are a large industry," says Ann Wilson, vice president of government affairs for the Motor & Equipment Manufacturers Association. The group represents more than 700 suppliers.

The organization lobbied most automakers for fuel economy provisions that are reasonable. But some companies have special legislative interests, Wilson concedes.

Supplier lobbying can be a delicate balancing act. Continental AG has demonstrated as much over the past decade. It touted the benefits of electronic stability control systems, which it produces.

But it deftly avoided calling openly for regulations requiring the technology on vehicles.

Ultimately, independent research showed the safety benefits of electronic stability control should be significant. Regulations will mandate its installation in most vehicles by 2012.

### **Stronger, lighter**

Is CellTech's innovative sheet metal such a big deal? Time will tell. The San Diego company takes three layers of extremely thin steel and brazes them together. The middle layer is stamped in a honeycomb pattern.

The resulting sheets are more than 50 percent lighter than solid sheet metal of the same thickness, CellTech says. The sheets are seven times stiffer than solid sheet metal of the same weight, it claims.

A sister company of CellTech supplies metal to the aerospace industry. CellTech says automakers could use its sheets for parts or vehicle bodies. Honda engineers are conducting tests, CellTech executives say.

Automakers, meanwhile, appear unfazed by the supplier lobbying.

Greg Martin, GM's public policy spokesman, says: "If someone at GM is disappointed" with A123 Systems, "I haven't heard about it."

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