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GM product chief says no delay for plug-in SUV

Mon Jul 6, 2009 8:20pm EDT

By [Kevin Krolicki](#)

DETROIT (Reuters) - General Motors is on track to launch a plug-in sport-utility vehicle in 2011 despite scrapping its Saturn brand as part of a sweeping reorganization in bankruptcy, according to the automaker's product chief.

"I can tell you that I won't lose one day in terms of customers being able to walk into dealerships and actually purchase a plug-in," GM Vice Chairman Tom Stephens said in an interview.

Stephens also said GM could consider launching an all-electric small car for congested cities that would mark the automaker's return to a technology it dropped in 2003 with the decision to scrap the battery-powered EV1 in California.

"I think there's pent-up demand for the technology," said Stephens of GM's work on electric-drive vehicles, including the highly touted Chevy Volt.

"My job is to get it out there and get it right the first time but then get it cost-effective so that we can do a huge number," said Stephens, who took over as GM's product chief in April, just as its business plans came under scrutiny from the Obama administration's autos task force.

Under the product plans that underpin its U.S.-government financed turnaround effort, GM has promised to launch 14 new, fuel-saving hybrid models by 2012.

The centerpiece of GM's effort to reinvent itself has been the Volt, an electric-drive car GM aims to introduce by late 2010. The Volt will have a 40-mile driving range on a single battery charge, a distance that GM projects will cover a round-trip for most urban commuters.

But the Volt, which will also have a small gas-engine for extended-range driving, is expected to cost consumers over \$30,000 after a federal rebate.

The pricey first generation Volt will not give GM the volume it needs to bring down costs sharply, Stephens said.

"If I had to go with my first generation, we couldn't really pencil a business case," he said. "Any new technology is expensive, but if you get to the second or third generation you find that the cost goes way down."

Last year GM also announced plans for a plug-in version of its Saturn Vue SUV that would carry a lithium-ion battery pack rechargeable at a standard outlet, reducing the need for gas consumption from its 3.6-liter engine.

The Saturn Vue plug-in was being designed with the ability to be driven 10 miles on electric power alone.

But GM's plans to launch the rechargeable SUV were complicated by a decision to drop the Saturn brand this year.

Stephens said work on the plug-in technology behind the Saturn Vue

remained on track. He said the vehicle that would replace the now-scrapped Saturn would be an SUV from one of GM's four remaining brands: Chevy, Cadillac, Buick and GMC.

GM's mass-market rivals, including Toyota Motor Corp, Nissan Motor Co and Ford Motor Co are also pushing ahead with plans for rechargeable and pure-electric vehicles.

Stephens said in addition to developing more electric vehicles GM remained committed to working on ethanol as an alternative for gasoline and improvements to internal combustion engines.

"We've got a strategy that says there are no silver bullets," he said. "We need all of this."

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