

# GM focuses on 'green' image with Chevy volt

## Volt snags 230 Mpg EPA rating

By IVAN VELINOV  
Epoch Times Staff

General Motors Corp's upcoming Chevrolet Volt rechargeable electric car could have the best mileage among all mass-produced hybrid vehicles, and would surpass Toyota Prius' fuel economy by more than four times.

GM CEO Fritz Henderson announced the news to the press on Tuesday.

The Chevrolet Volt extended-range electric car was given an official Environmental Protection Agency (EPA) rating of more than 230 miles per gallon of gasoline in city driving, and a combined city-highway average fuel economy of more than 100 miles per gallon.

The Volt is powered by an electric motor and a battery pack that could be recharged from a standard home electrical outlet. The battery pack has a 40-mile range. After that a small internal combustion engine kicks in to generate electricity for a total range of 300 miles.

"From the data we've seen, many Chevy Volt drivers may be able to be in pure electric mode on a daily basis without having to use any gas," said Henderson. "EPA labels are a yardstick for customers to compare the fuel efficiency of vehicles. So, a vehicle like the Volt that achieves a composite triple-digit fuel economy is a game-changer."

The Volt is at the forefront of General Motors's effort to reinvent

its business, after losing market share in the U.S. to Ford Motor Co. and its Japanese rivals. The federal government awarded the automaker with the largest share of \$2.4 billion in federal grants for the development of battery powered vehicles—committing nearly \$400 million to help the company build the much anticipated Chevy Volt plug-in hybrid prototype.

GM already received about \$50 billion in federal assistance to restructure and make it through its bankruptcy. This includes \$150 million for the Volt program and \$100 million in investments for production of future electric vehicles.

Domestic competitors Ford Motor Co. and Chrysler Group were awarded \$30 million and \$70 million respectively. With a line-up of 25 new GM vehicles due to be launched by 2011, Volt is expected to dwarf any mass-market brands including Toyota's Prius. One of the company's restructuring efforts is to create a "green" image among consumers, in which the Volt is a key element.

But the EPA said in a statement released Tuesday that the agency has not tested a Volt "and therefore cannot confirm the fuel economy values claimed by GM." EPA said it applauded "GM's commitment to designing and building the car of the future—an American made car that will save families money, significantly reduce our dependence on foreign oil, and create



The 2009 Chevrolet Volt is seen at the New York International Auto Show April 8, 2009 in New York. STAN HONDA//AFP/GETTY IMAGES

good-paying American jobs."

GM estimates that the Volt's price tag will be about \$40,000, though the automaker says that the price is expected to drop with future generations of the Volt and will qualify for up to \$7,500 in government tax

credits.

Currently, GM is manufacturing 10 Volt vehicles per week, and so far has made 30 cars, according to the company's technical center in Detroit.

"The 230 city mpg number is a

great indication of the capabilities of the Volt's electric propulsion system and its ability to displace gasoline," said Frank Weber, global vehicle line executive for the Volt.

"Actual testing with production vehicles will occur next year closer

to vehicle launch. However, we are very encouraged by this development, and we also think that it is important to continue to share our findings in real time, as we have with other aspects of the Volt's development."

## U.S. Postal Service's sticky situation

### To privatize or not?

By HEIDE B. MALHOTRA  
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WASHINGTON—The U.S. Government Accountability Office (GAO) recently announced that the U.S. Postal Service (USPS) is at risk of financial insolvency.

The post office made GAO's list of government operations that are considered costly and "high risk." GAO submits its High Risk Series report to Congress every two years.

"Addressing USPS's financial viability is critical as USPS plays a vital role in the U.S. economy and in providing postal services to all communities. Moreover, it is the largest civilian federal agency, employing about 633,000 career and 94,000 non-career employees," the GAO said in the report.

Congress has given the USPS opportunities to pull itself out of financial trouble. Sen. Joseph I. Lieberman, I-Conn., Chairman of the Governmental Affairs Committee, announced in a July 30 press release that the committee passed legislation that gives the USPS increased borrowing power to pay for obligations arising during 2009.

Even with the extra help, the USPS has become the object of criticism, drawing calls that it be privatized.

#### PRIVATIZING USPS

USPS, like many government agencies, has become an albatross. It has many branches and sub-branches throughout the United States which are no longer needed, as mail traffic has decreased substantially due to the advent of e-mail.

Experts have called for privatization and point to Japan, whose parliament privatized Japan's postal services in 2005. In 1995, Germany's Deutsche Bundespost privatized its postal service and is often cited by privatization proponents as a major success story.

The European Union plans to reform the postal systems of most member states by December 31, 2010.

"The USPS is a drag on the government, on the economy, on the marketplace it unfairly distorts, and on consumers and taxpayers. It should be privatized without delay," wrote Sam Ryan, in a blistering article "Privatize This" on the National Review Web site in 2005. He predicted that in the not-too-near future, USPS will go bankrupt.

That day may have arrived.



**APPROACHING INSOLVENCY?** U.S. Postmaster General John Potter discusses the U.S. Postal Service's third-quarter finance report at the headquarters last week in Washington, D.C. With a large decline of mail volume, the USPS is facing a potential loss of almost \$7 billion this year and anticipates the closing of almost 1,000 offices. ALEX WONG/GETTY IMAGES

#### LOWERED REVENUE

The last year USPS reported income from its operations was in 2006. Beginning in 2007, its fortunes soured and it began to report significant losses: \$5 billion at the end of fiscal year (FY) 2007 and \$3 billion in FY 2008, according to its annual financial report. On June 30, 2009, the third quarter of its fiscal year, the USPS reported a staggering \$4.7 billion net loss.

Projected losses for 2009 and 2010 are about \$7 billion, which according to the GAO, is unsustainable in the long term.

Since 2006, total mail volume has decreased by 10.4 billion annually on average. First class mail took the greatest hit since 2006, decreasing by more than 6 percent overall or 6 billion annually.

Between October 2008 and May 2009, total mail volume has decreased by 18.5 billion letters and USPS management predicts that the mail volume for 2009 will decrease by 28 billion.

The culprit is a combination of economic realities, increased reliance on e-mail, and the USPS's inability to address problems effectively and efficiently, according to the GAO.

"USPS urgently needs to restructure to address its current and long-term financial viability. USPS has not been able to cut costs fast enough to offset the accelerated decline in mail volume and revenue—particularly costs related to its workforce, retail and processing networks, and delivery services," read the GAO's High Risk Series release.

Costs increased in that time as

well—fuel prices were unexpectedly high, to almost \$500 million annually. A \$5.6 billion health benefit obligation as stipulated under the 2006 Postal Law, among other expenses, put another nail in USPS's coffin.

#### MAKING ITS CASE

The GAO charges that the USPS is procrastinating and not meeting new targets fast enough, but USPS is on the defensive.

"We began 2008 with a goal of reducing costs by \$1 billion. We soon doubled that target, which we not only met, but exceeded by year-end," read a letter in USPS' 2008 annual report.

USPS claims that its prices are the lowest among its peers in foreign countries. It could only increase first class mail by 10 cents from 31 cents between 1998 and 2008. Mexico and Japan's postal services increased mail by 26 cents, from 23 to 49 cents and 59 to 85 cents respectively.

Costs were reduced by more than \$2 billion during 2008, overtime hours were curtailed by 50 million hours, and 20,000 positions were eliminated, Postmaster General John E. Potter said.

"We are subject to Congressional oversight, regulation by other government agencies, and also oversight by various other organizations and the public," USPS said in their annual report. "If we cannot successfully address their various, and sometimes competing, concerns, we may be subject to greater regulation, which could increase our costs or otherwise place additional burdens on our operations," USPS warned regulators in the annual report.

The USPS is not eligible for tax dollars and is self-financed. Congress has appropriated no funds to USPS since 1982. It finances itself from cash from operations and borrowing from the Federal Financing Bank, which is under the supervision of the U.S. Treasury.

In 2008, USPS's borrowing amounted to \$7.2 billion, an increase of \$3 billion from the end of fiscal year 2007.

The USPS exists under Title 39, Section 101.1 of the United States Code. It has monopoly power concerning first-class mail. Although it operates as a private enterprise, it does not pay federal or local taxes, may borrow from the Treasury at discounted rates, and can use governmental rights of eminent domain to attain private property. The USPS is not a profit-oriented entity, but is required to break even.

## Having fun: The pleasure principle

By ROBERT WILSON

Swing and miss. "Strike Two." cried the umpire. I threw one more pitch right in at the player's wrists. He swung hard, but the ball just dribbled right back to the pitcher's mound. I picked it up and gently tossed it to the first baseman for the out.

As the batter turned back toward the dugout, his team captain stepped out and screamed, "Darrell, you've got to get over your fear of this guy!"

The words poured like sweet honey into my ears.

It was the third time I had gotten him out that night including two strikeouts. I had completely shut down the best hitter on the best team in the league. It was the most fun I'd had in weeks.

No, I wasn't throwing heat. Quite the contrary, I'm talking about slow-pitch recreational softball for the over-thirty crowd.

But, I was totally into it. Once a week I stood on the mound under the lights with everyone's eye on me. Despite the butterflies in my stomach, I can't imagine anything more exciting (OK, maybe skydiving!).

And, I was totally motivated! I spent several hours each week tossing balls in my driveway. I set up an area with a pitcher's

rubber and home plate laid out to the exact dimensions of those on the playing field. After I mastered the two standard softball pitches, I developed two of my own. The best was a softball version of the knuckleball. A spin-less ball that baffled batters the first time they saw it, but even when they did hit it—they could never get any distance on it.

I have friends who are obsessed with golf; others with tennis. None of them have a clue what drives me to play softball. But, then again, I don't get why they play golf or tennis.

What motivates me to play softball or for that matter my friends to play golf and tennis? That's easy... it's fun! It is all about having fun. Pleasure is very motivating.

We all seek some pleasure in life. It's what keeps us going. And, for those pursuits that we enjoy, we are never too tired; we always seem to find time and energy for them. It comes to us easily. If only we could find that kind of relaxed energy for work.

What is it that you can't wait to do everyday? Is it a hobby? A sport? It's very true that "all work and no play make Jack a dull boy." Not only dull. Where happiness is absent—health is often absent too.

I look forward to work every day. I have clearly followed the advice

of my father who encouraged me to find a job I enjoyed so that I would never "work" a day in my life. In her book *Do What You Love, The Money Will Follow: Discovering Your Right Livelihood*, Marsha Sinetar tells us to do the same thing. But, what should you do if you're not happy in your work? Make changes! That may be easier said than done. So, if you can't change your job, then change your work environment.

It's a well-known fact that employees who enjoy their work are more productive.

This is so true that people frequently turn down better paying jobs to stay with one that is fun. There are many ways to make your workplace more fun. Authors Dave Hemsath and Leslie Yerkes in their book offer us 301 Ways to Have Fun at Work. Every company is different so it will be up to you to discover what you can do to make your place of business more fun. But, if you want to motivate your staff – I always say, "Give them something to laugh about!"

Robert Evans Wilson, Jr. is a motivational speaker and humorist. He works with companies that want to be more competitive and with people who want to think like innovators. For more information on Robert's programs please visit [www.jumpstartyourmeeting.com](http://www.jumpstartyourmeeting.com).

## Tata: Jaguar, Land Rover no longer need U.K. assistance

LONDON (Reuters)—India's Tata Motors said it no longer needed U.K. guarantees on loans for its Jaguar Land Rover (JLR) unit as it had secured private funding and was close to finding a commercial backer for a European Investment Bank (EIB) loan.

The British government has been holding talks with Tata and JLR on guaranteeing short-term and long-term loans.

The talks centered on a rescue package that involved a 340 million pound (\$561.1 million) approved loan from the EIB, to be used for the development of environmental technologies, and 450 million pounds (\$741 million) from British banks, underwritten by the government.

Media reports quoted industry experts in May as saying the talks were stalled because the car maker would not accept the tough conditions imposed by Britain in return

for guaranteeing loans, including the right of the government to veto management decisions.

Tata said in a statement issued on Tuesday that it had concluded many funding facilities from commercial banks, with the balance expected to be completed in the coming weeks.

It also said it expected the long-term EIB loan to be secured shortly through commercial arrangements.

"With the positive trend in the external environment in financial markets and improvement in general liquidity, these arrangements have been and are expected to be concluded without necessitating guarantees from the U.K. government, for which discussions had been ongoing for some time," Tata said in a statement.

Tata would not give any further details and JLR was not immediately available for comment.

The U.K. government also issued a statement saying that Tata had

secured private sector funding.

"This additional funding will allow JLR to invest in future models and successfully launch the new XJ saloon on schedule and updated Land Rover models later this year," Business Secretary Peter Mandelson said in the statement.

"The government had offered bridging finance from the automotive assistance program if necessary. We understand the Tata group will now be successful in resolving longer term financial needs but we are willing to help again if necessary."

Britain pledged in January to guarantee up to 2.3 billion pounds of loans, including 1.3 billion pounds from the EIB, to help its ailing car industry cope with a slump in demand.

More than 14,000 workers are employed at Jaguar Land Rover's five British sites. Tata bought Jaguar and Land Rover from Ford in June last year for about \$2.3 billion.