



*Award Winning*

## ***Malibu Rotary Club Surfwriter***

**February 11, 2009**

Official Newsletter of the Rotary Club of Malibu  
**Malibu Rotary Club President Bow Bowman**

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**Edited by Dr. John W. Elman**

**Pictures by Dr John W. Elman and Popular Mechanics**

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**Malibu Rotary Website:** <http://groups.msn.com/maliburotary>

Rotary International Website: [www.Rotary.org](http://www.Rotary.org)

Rotary District 5280 Website: [www.rotary5280la.org](http://www.rotary5280la.org)

Rotary District 5280 “Rotarians Doing Business With Rotarians” Website: <http://yp5280.org/>

**RI President (2008-2009) D.K. Lee**

**Rotary District 5280 Governor (2008-2009): Chuck Anderson**

### **“Reinventing the Automobile-- What’s Happening to GM” Shad Balch, Environment & Energy Specialist at General Motors**



The current financial crisis has taken a direct hit on the global auto industry, particularly American auto maker General Motors. For most of the twentieth century GM represented America to the rest of the world and to itself. America

became a Super Power as GM became the Super Company. When you had the best you had a Cadillac. Advertisers exploited the patriotic connection in the 1970s with the TV jingle "baseball, hot dogs, apple pie and *Chevrolet*". But while gasoline prices went up and foreign competition caused American auto buyers to trade in their Cadillacs and Chevys for Toyotas and Hondas GM executives seemed to be asleep still dreaming of the good Ole days with nostalgia. California in particular has shunned GM vehicles. They sold less vehicles in California than they did in China. Of course those executives could sleep well, they paid themselves millions, and when they awoke there weren't even

working at GM. One exception to this may be Bob Lutz, vice chairman of **General Motors** and architect of its design renaissance, especially noted for his work on the new Chevy Volt (see below), who is going to retire at the end of the year after 46 years in the auto industry. But otherwise what was left was a company that was just a shell of its old self. Many wondered whether GM could and should continue to exist. Despite previous mismanagement the US congress opted to bail the company out. General Motors received a \$13.4 billion lifeline from the Bush administration last year. They received a second draw of \$9.4 billion on January 21 and is expected to receive a third draw of another \$4 billion. The loan agreement gives the government shares in the company in exchange for the financing and requires GM to convert outstanding debt into equity and make payments in the form of stock to a health care fund for retired workers. This week GM representatives got another break from the government when it was ruled that GM would not have to pay between \$7 billion to \$10 billion in tax liabilities associated with the government loans.



GM Environment and Energy Specialist Shad Balch spoke to the Malibu Rotary Club on February 11<sup>th</sup>, on how GM is “Reinventing the Automobile” and explained how it is restructuring itself for long-term viability. The new GM will be leaner, with fewer brands (doing away with such brands as Saturn and Hummer), cutting 10,000 jobs, and

having a CEO and board of directors that will take salaries of only \$1 per year and who will forego bonuses. (Editor's Note: That's what Shad said—I don't know how or why these executives would work for nothing—maybe they get shares of the company). The plan is for GM to repay the US government loans by 2012, starting this process no later than 2011.

The new product line of GM will feature fuel efficient vehicles. Instead of running on gasoline, they will run on various other energy sources: E85 Ethanol, hybrids, electrical, and hydrogen fuel cells. The hydrogen fuel cells will convert the hydrogen to electricity on board. GM's "Project Driveway" features a new vehicle called the *Equanex* that runs on fuel cells. Sixty (60) of these vehicles are currently being test driven by people in California.

The main new vehicle is the electric Chevy Volt. GM has decided on a new descriptive terminology to distinguish it from traditional hybrids. They are calling the Volt an E-REV, for extended-range electric vehicle, although it still qualifies as a hybrid. This is in part justified since there is no mechanical linkage between the gasoline engine and the wheels. Whereas most of the current cars that use electricity for power are hybrids which are powered by both electricity and gasoline, the Chevy Volt voltec drive train is powered solely by electricity. It has an onboard generator that is run by internal combustion engine (ICE) to generate electricity once the battery depletes to a precise low set-point (<25%). The [flex-fuel](#) internal combustion engine is capable of running gasoline or [E85](#) (85% [ethanol](#), 15% gasoline) or any blend of those fuels and will be a naturally aspirated 1.4-liter 4-cyl gasoline engine. Fuel would be supplied from a "saddle" tank 45 litres (12 US gal) in size. The Voltec drive train allows the vehicle to go about 40 miles with just the electric battery. The battery will be charged at home and if one can charge the battery every 40 miles there is no need for gasoline. It takes 6 to 8 hours to fully charge the battery using standard 120 volt house current, but it only takes 3 or 4 hours using 220 volt. The T-shaped battery pack rides low in the chassis beginning where the transmission tunnel would be on a conventional vehicle. And the top of the pack's "T" ends underneath the rear seats. The pack intrudes into the passenger cabin, so GM decided to make the Volt a four-seater instead of raising the roof line to accommodate that middle seat. The weight of the battery pack in the Volt which finally comes to market will reportedly be approximately 375 lb (170 kg), primarily because the Volt will use [lithium-ion](#) (Li-ion) batteries while the EV1 used heavier lead-acid and [nickel metal hydride](#) (NiMH) batteries. Li-ion batteries are expected to become cheaper to manufacture, once economies of scale take effect. Another of the GM products will be the Volt battery itself. For several reasons they feel that manufacturing the battery themselves is very important. It is the essential feature of the *voltec* technology, so they would like to have complete control of its quality. Also it will be a source of domestic jobs and a source of income when it is exported to other countries. The warranty on the battery is 150,000 miles or 10 years. It is expected that the efficiency of the battery will improve over the years—that batteries will be developed in the future that are smaller with more power. These may be exchanged out in the first generation of vehicles prior to the end of the warranty period.

The new electric vehicles are being tested in California by certain organizations that operate fleets, such as Disney and Virgin Atlantic. The Voltec drive train will also power the Cadillac Converj

According to Wikipedia, the price of the Volt is expected to be around \$40,000 with government approved subsidies bringing the price to around \$32,500. In the United States, and based on its current battery power density, the Volt will reportedly qualify for a \$7,500 tax credit. Chevy Volt and is scheduled to be in dealer showrooms by late 2010.

### **Other News and Guests from Last Malibu Rotary Club meeting**

In addition to the Power Point presentation by our speaker, **Shad Balch**, who was assisted by **Sara Leeper**, an account executive with the GM PR firm of MSN & L, a short video about the next Rotary District Convention at the Westin South Coast Plaza Hotel was presented by Santa Monica Rotary Club Past President and District Conference Committee member **Jim Dyer**. For those who missed it, the entire video is available on line on You Tube: <http://www.youtube.com/watch?v=73x0pP6MGhg>. See **Rotary District Convention** below. Also on hand were Pepperdine Rotaract President Alex, frequent visitor Malibu appraiser **John MacNeil**, and **Parke Blair**, who is scheduled to be inducted into the Malibu Rotary Club as a full member at the next meeting.

**Holmes Osborne III**, will be attending PETS February 20-22<sup>nd</sup>, and has already attended pre-PETS session.

## Rotary District Convention

On April 30 - May 3, 2009 The Rotary District Conference will be The Westin South Coast Plaza Hotel, 686 Anton Boulevard, Costa Mesa, CA 92626 (see flyer at <http://www.clubrunner.ca/Data/5280/html/45459/Conference%2009%20Flyer%201200%20dpi.pdf>).

Online registration by credit card for the upcoming District Conference is now available. Scheduled for April 30 - May 3, 2009 at the [Westin Hotel, South Coast Plaza](#). The conference promises four days of fellowship, education, social events, a golf tournament, plenary sessions and more. In addition to the Rotary activities there will an opportunity to see a production of the musical *Grease* at the Sergerstrom Performing Art Center located next to the hotel. Click [HERE to see a specially created video](#) or copy <http://www.youtube.com/watch?v=73x0pP6MGhg> into your browser.

Click on the image immediately below to the left to register online, or the image to the right if you wish to print a copy of the registration form and mail or fax it to the District Office.

<p>* Credit card registration form: </p>	<p>* PDF registration form: </p>
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To view the specially created video about the conference, click [HERE](#). It is 3:47 long. (Video created by Gidas Peteris of the Beverly Hills Rotary Club; narration by Brad Robinson, conference chair and member Beverly Hills Rotary Club.)

### Malibu Stage

**Geoff Ortiz** reminds us that the February production at the Malibu Stage Company of *Rabbit Hole* opened to a full house and rave reviews. It stars famous screen actress Katherine Ross (*The Graduate, Butch Cassidy, et al*) and is produced and directed by Graeme Clifford. For ticket information call (310)589-1998. The Malibu Stage Company is located at 29243 Pacific Coast Highway.

## **La Estanzuela, Honduras Water Project**

The Malibu Rotary Club is one of the clubs joining with the Century City Rotary Club to bring clean water to the Village of La Estanzuela in Honduras. There wasn't enough time to complete funding of this project during the past Rotary year. We are hoping to complete the project this year with a Rotary Foundation Matching Grant

### **Calendar .**

- **February 25<sup>th</sup>, 7:30 a.m.: Jim Thorsen, City Manager, speaking on “Legacy Park”**
- **Mar 4—7:30 a.m. Malibu Rotary Club Assembly—We discuss directions of club and Holmes Osborne’s Board for 2009-2010.**
- **Mar 11: Pep senior Braden Mogler, Rotary Ambassador Scholar going to Uruguay this summer**
- **Mar 18: Ron Wildermuth—“Update From the West Basin Municipal Water District”**
- **Mar 25 an on: open**
- **April 30 - May 3, 2009 Rotary District Conference The Westin South Coast Plaza Hotel, 686 Anton Boulevard. Costa Mesa, CA 92626 (see flyer at <http://www.clubrunner.ca/Data/5280/html/45459/Conference%2009%20Flyer%201200%20dpi.pdf>)**

## Join Malibu Rotary's MSN Group Website

The Malibu Rotary website at <http://groups.msn.com/maliburotary> is updated weekly. You can go to it and see our calendar of events, pictures of our speakers and activities, and past issues of our weekly bulletin, the illustrious *Malibu Rotary Club Surfwriter*. Contact information for the club, e-mail addresses of the club officers and other club information is also there. If you go to the site and become a member of the site (which you can do whether or not you are a member of the Malibu Rotary Club) then you can post items on the site, and have access to [documents](#). Directions for becoming an *on-line group member* are available on the website. To join the online Maliburotary group as an online member you must sign up

for a free MSN passport, fill out an on line form with a name (which can be an alias), an e-mail address, and agree to the rules of membership. You can view most of the site without signing on as a member, but as an online member you can post information on the site, including the calendar and bulletin board, view [documents](#), and participate in the on-line interactive chat room.

*John W. Elman, Editor* ***The Malibu Rotary Club Surfwriter is sent weekly to members of the Malibu Rotary Club and friends of the Malibu Rotary Club, those interested in the work of Malibu Rotary. This e-mail is sent to you at no charge. If you wish to opt out of our mailing list send an e-mail to [maliburotary@hotmail.com](mailto:maliburotary@hotmail.com) with the subject: Take Me Off Your Mailing List***