Ford Announces Small-Engine U.S. Production Boost

Tom Krisher, AP Auto Writer

BROOK PARK, Ohio (AP) — Ford is preparing for a day in the near future when a small four-cylinder engine will be the motor of choice in most of its vehicles, perhaps even in pickup trucks.

Demand for the company's 2-Liter turbocharged engine is growing so fast in North America that Ford announced plans Thursday to start building the engine late next year at a factory in Brook Park, Ohio, near Cleveland. Currently it's importing the motors from a factory in Valencia, Spain.

The Brook Park plant now employs about 1,300 people who make V-6 engines for the F-Series pickup truck, the most popular vehicle in America.

Ford plans a $200 million investment in the plant and promises 450 more jobs, the halfway point in a Ford hiring spurt that will total 12,000 U.S. hourly jobs by 2015. But few think that the hiring will stop at 450, as the company and its customers look to smaller "EcoBoost" turbocharged engines to fight high gas prices and comply with more stringent government fuel economy regulations.

Demand for the 2-Liter turbocharged motor has exceeded Ford's expectations, Joe Hinrichs, the company's new president for the Americas, said after making the announcement. "You never know when that's going to go further, because the products it's going to go into are some of our best-selling cars."

Plus, U.S. auto sales are growing. Industry analysts predict about 15.3 million cars and trucks will be sold this year, up 800,000 from last year. It's far higher than in 2009, when frozen credit and high unemployment cut sales to 10.4 million, a three-decade low.

More customers are choosing turbocharged smaller engines as Ford and other manufacturers offer them in more models. The engines get better gas mileage than six-cylinder motors. And the turbochargers give them more power when needed. In the U.S., new vehicles will have to average 54.5 miles per gallon by 2025, twice the roughly 27 mpg they get today.

Ford offered the 2-Liter EcoBoost engine in 2011 on its Edge and Explorer SUVs in the U.S. Last year it added the new Escape small SUV, the Taurus large sedan, the Fusion midsize sedan and a high-performance version of the Focus compact to the list. This year the Lincoln MKZ midsize luxury car also has it.

Two years ago Ford sold 6,900 vehicles equipped with 2-Liter EcoBoost engines in the U.S., and that rose to 96,000 last year. In January Ford sold 15,000 vehicles with

the engines, putting it on pace to sell more than 180,000 this year.

Ford expects to sell more than 500,000 cars and trucks with turbocharged four-cylinder and V-6 engines in the U.S. this year, up from about 334,000 in 2012. The company said turbocharged engines should be available on 90 percent of its North American models this year, and 95 percent by 2015.

The four-cylinder is in just about every Ford vehicle but full-size pickups, and even they could have it in the future, said Scott Makowski, global design manager for Ford's four-cylinder engines.

Technically it's possible to power a pickup with a smaller motor by adding boost to the turbocharger, Makowski said. Turbochargers pump high concentrations of air into the piston chamber. That allows more gas to be sent in and offers extra acceleration or hauling capacity whenever drivers step on the pedal. Turbos aren't used under normal driving conditions, so the engines get better mileage because they behave like normal four-cylinder motors.

"You can always go up on horsepower per liter," Makowski said. "We're always being asked for more performance, and we're always being asked for more fuel economy."

The prospects are good for more hiring at the Cleveland Engine Plant, United Auto Workers Vice President Jimmy Settles, who handles talks with Ford. A second engine plant and a metal casting factory were closed in the Cleveland area as Ford downsized in the early 2000s. The company also plans to shutter a nearby metal stamping plant in 2015, but the roughly 330 workers there likely will transfer to the engine factory. The rest of the engine plant hires will be at a lower entry-level wage of around $15.78 per hour, about half the wage of longtime UAW workers.

Settles said the union also agreed to work-rule changes to help make a business case for Ford to build the engine in Ohio. Eliminating expensive shipping costs from Spain was part of that, he said.

The Valencia plant will continue to make small engines for Europe, but some of its workers will be transferred to a nearby assembly plant.

Ford shares fell 27 cents, or 2.1 percent, to $12.33 in Thursday afternoon trading amid a broader market decline.

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