

Analysis of American University's Latest “Made in America” Index

American Automotive Policy Council

June 2016

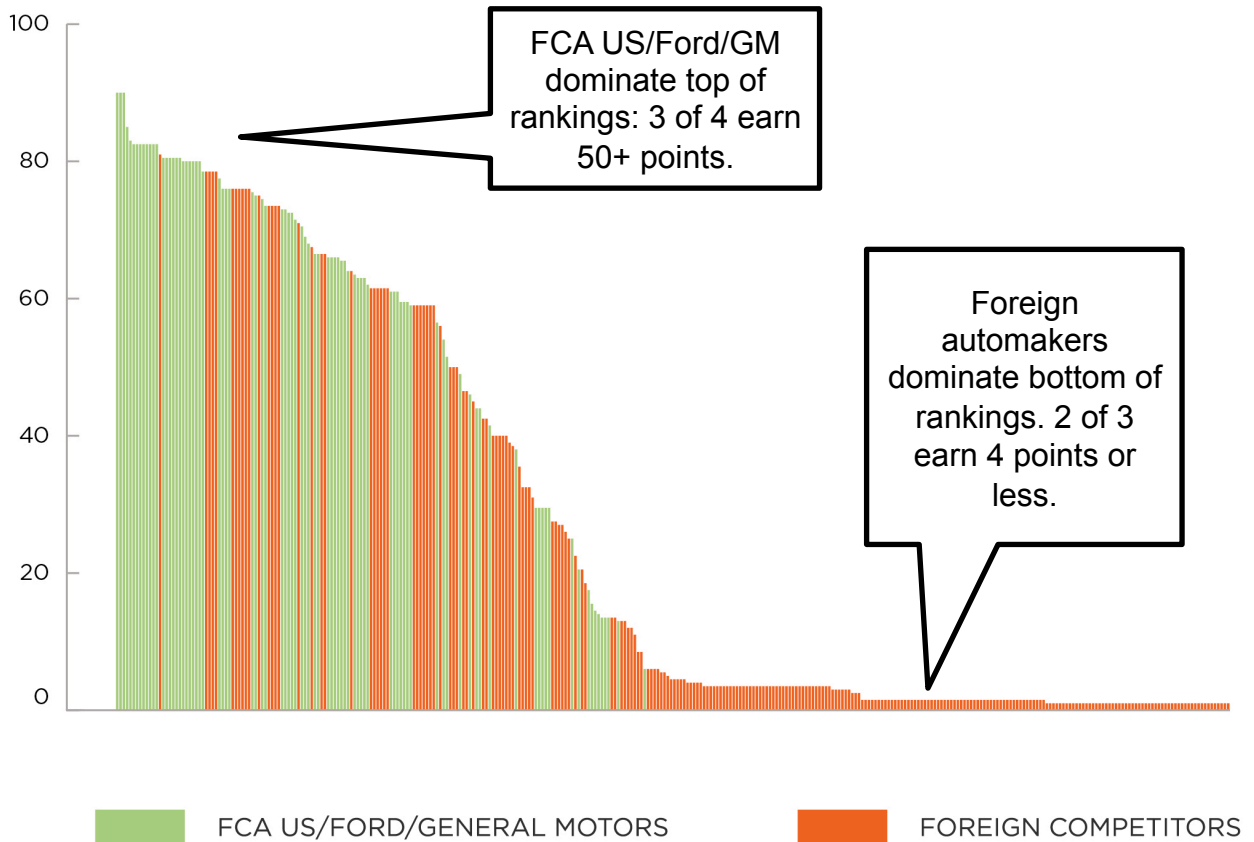
Topline

NEW RANKINGS. American University's Kogod School of Business recently released a comprehensive "Made in America" ranking of 338 of this year's car and light truck models. AU measures each model on a scale of 1 to 100, with points based on where its R&D is performed, where it is assembled, where its engine and transmissions are each produced, how much domestic content it contains, and where the automaker's HQ is based.

FCA US/FORD/GM DOMINATE RANKINGS. FCA US/Ford/GM produced 24 of the TOP 25 vehicles, 34 of the TOP 50 vehicles, as well as the TOP 4 trucks, the TOP 5 sedans, and the TOP 10 SUVs.

DIFFERENCE BETWEEN FCA US/FORD/GM AND THEIR COMPETITORS. The average score for the industry, per AU, was 28 out of 100. But this average is the product of two, very different results: FCA US/Ford/GM scored 61, on average, while their competitors scored just 16, on average.

2016MY KOGOD'S MADE IN AMERICA INDEX



AU's Methodology

METHODOLOGY. Models earn points, based on where its R&D is performed, where it is assembled, where its engine and transmissions are produced, how much domestic parts it contains, and where the automaker's HQ is based.

STEP ONE: AU establishes the cost of each step/category in the automotive manufacturing value chain.

STEP TWO: AU awards points within each category, based on how much of the work in that category was performed in the U.S.

Kogod Rank	OEM	Make	Model	2016 AALA	Profit Margin	Labor	R&D	Trans- mission	Inventory, Capital, Other Expenses	Engine	Body, Interior, Chassis, Electrical, Other	Total Domestic Content
					6 if US Company; 0 if Foreign	6 if Assembled in US; 0 if Foreign	6 if US Company; 3 if Foreign and Assembled in US; 1 if Foreign and Imported	7 if US produced; 0 if not	11 if assembled in US; 0 if assembled outside US	14 if US produced; 0 if not	2014 AALA% divided by 2	SUM of Scores
					6%	6%	6%	7%	11%	14%	50%	100
1	General Motors LLC	Buick	Enclave	80%	6	6	6	7	11	14	40	90
1	General Motors LLC	Chevrolet	Traverse	80%	6	6	6	7	11	14	40	90
1	General Motors LLC	GMC	Acadia	80%	6	6	6	7	11	14	40	90
2	Ford Motor Company	Ford	F150	70%	6	6	6	7	11	14	35	85
3	General Motors LLC	Chevrolet	Corvette	66%	6	6	6	7	11	14	33	83
4	General Motors LLC	Chevrolet	Equinox	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Chevrolet	Impala	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Chevrolet	Malibu E2 Gen	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Chevrolet	Malibu LTD	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	GMC	Yukon, Yukon EXT	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Cadillac	Escalade	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Buick	LaCrosse	65%	6	6	6	7	11	14	32.5	82.5
4	General Motors LLC	Chevrolet	Tahoe, Suburban	65%	6	6	6	7	11	14	32.5	82.5
5	Honda Motor Co., Ltd.	Honda	Accord	80%	0	6	3	7	11	14	40	81
6	Fiat Chrysler Automobiles	Jeep	Wrangler Unlimited	73%	3	6	3	7	11	14	36.5	80.5
6	Ford Motor Company	Ford	Taurus	61%	6	6	6	7	11	14	30.5	80.5
6	General Motors LLC	Buick	Verano	61%	6	6	6	7	11	14	30.5	80.5
6	General Motors LLC	GMC	Canyon	61%	6	6	6	7	11	14	30.5	80.5
6	General Motors LLC	Chevrolet	Cruze LTD	61%	6	6	6	7	11	14	30.5	80.5
6	General Motors LLC	Chevrolet	Colorado	61%	6	6	6	7	11	14	30.5	80.5
7	Ford Motor Company	Ford	Explorer	60%	6	6	6	7	11	14	30	80
7	Ford Motor Company	Ford	Mustang	60%	6	6	6	7	11	14	30	80
7	General Motors LLC	Cadillac	ATS	60%	6	6	6	7	11	14	30	80
7	General Motors LLC	Cadillac	CT6	60%	6	6	6	7	11	14	30	80
7	General Motors LLC	Cadillac	CTS	60%	6	6	6	7	11	14	30	80
7	General Motors LLC	Chevrolet	Camaro	60%	6	6	6	7	11	14	30	80
8	Fiat Chrysler Automobiles	Jeep	Cherokee	69%	3	6	3	7	11	14	34.5	78.5
8	Honda Motor Co., Ltd.	Honda	Pilot	75%	0	6	3	7	11	14	37.5	78.5
8	Honda Motor Co., Ltd.	Honda	Odyssey	75%	0	6	3	7	11	14	37.5	78.5
8	Toyota	Toyota	Sienna	75%	0	6	3	7	11	14	37.5	78.5
8	Toyota	Toyota	Camry	75%	0	6	3	7	11	14	37.5	78.5
9	Ford Motor Company	Ford	Expedition	55%	6	6	6	7	11	14	27.5	77.5
10	Fiat Chrysler Automobiles	Chrysler	200	64%	3	6	3	7	11	14	32	76
10	Ford Motor Company	Lincoln	MKS	52%	6	6	6	7	11	14	26	76
10	Ford Motor Company	Lincoln	Navigator	52%	6	6	6	7	11	14	26	76
10	Honda Motor Co., Ltd.	Acura	RDX AWD	70%	0	6	3	7	11	14	35	76
10	Honda Motor Co., Ltd.	Honda	CR-V (US)	70%	0	6	3	7	11	14	35	76
10	Honda Motor Co., Ltd.	Honda	Civic (US)	70%	0	6	3	7	11	14	35	76
10	Honda Motor Co., Ltd.	Acura	RDX 2WD	70%	0	6	3	7	11	14	35	76
10	Toyota	Toyota	Highlander	70%	0	6	3	7	11	14	35	76
10	Toyota	Toyota	Avalon	70%	0	6	3	7	11	14	35	76

Complete report is available at <http://kogodbusiness.com/reports/auto-index/>.

Takeaway

- **While no index can capture every aspect of how global automakers support the U.S. economy, AU's approach is comprehensive, well researched, and up to date.**
- **FCA US/Ford/GM's overwhelming advantage in the results are not surprising, because they reflect the fact we assemble more of our vehicles here, use twice as much "domestic content" (parts), and base 6 times more of our workers here.** (All statements based on 2016 model year vehicles and 2015 sales, production and employment data.)
- **The good news? FCA US/Ford/GM captured 24 of the TOP 25 spots, 34 out of the TOP 50. Also, the TOP 4 pickups (and 8 of the top 10), the TOP 5 sedans (and 18 out of the top 25), and the TOP 10 SUVs (and 18 out of the top 25).** In fact, many of our models assembled in Mexico and Canada outscore competitors' models assembled here. (For example, GM's Chevrolet Impala is assembled in Canada, but beats the Honda Civic, Nissan Altima and Subaru Outback, which are assembled in the U.S.)
- **The bad news? Half of the models sold in the U.S. contribute relatively little to our economy.** Two out of three models sold by foreign automakers scored 4 or fewer points (out of 100). Two out of five models sold by foreign automakers scored only 1 point.
- **If the millions of American car buyers who care about auto jobs have the facts, every automaker has a greater incentive to move jobs here.** Because the auto industry is so big, increasing U.S. auto production or the use of U.S. auto parts by a few percentage points can create tens of thousands of jobs and create billions of new parts sales.

338 Models, Side By Side

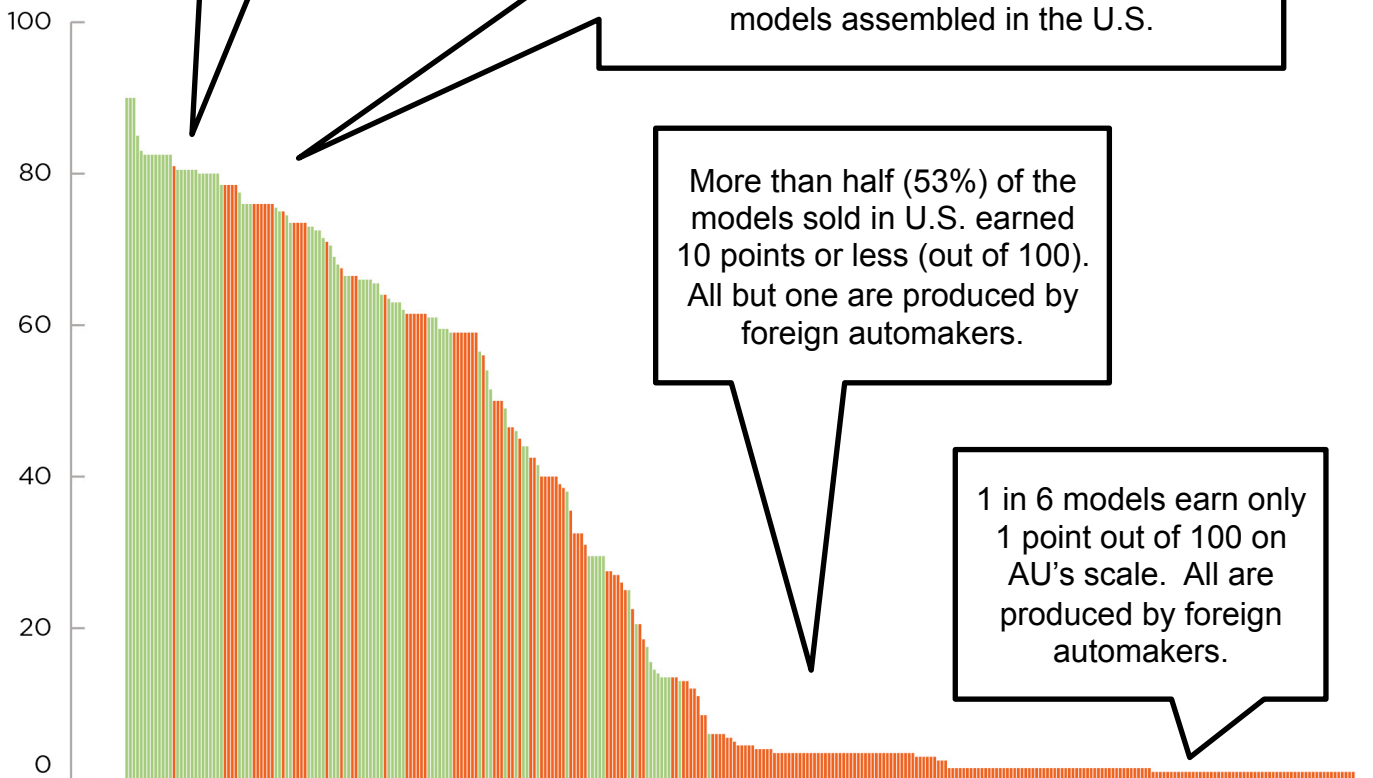
FCA US, Ford and General Motors models are in **GREEN**.
Foreign automakers' models are in **ORANGE**.

FCA US/Ford/GM produce top 24 vehicles, 34 of top 50 – also, the top 4 pickup trucks, the top 5 sedans and the top 10 SUVs.

Because FCA US/Ford/GM are based here, use more U.S. parts (on average), and conduct more R&D here, many of their vehicles assembled in Canada and Mexico score **HIGHER** than foreign automaker models assembled in the U.S.

More than half (53%) of the models sold in U.S. earned 10 points or less (out of 100). All but one are produced by foreign automakers.

1 in 6 models earn only 1 point out of 100 on AU's scale. All are produced by foreign automakers.



 FCA US/FORD/GENERAL MOTORS

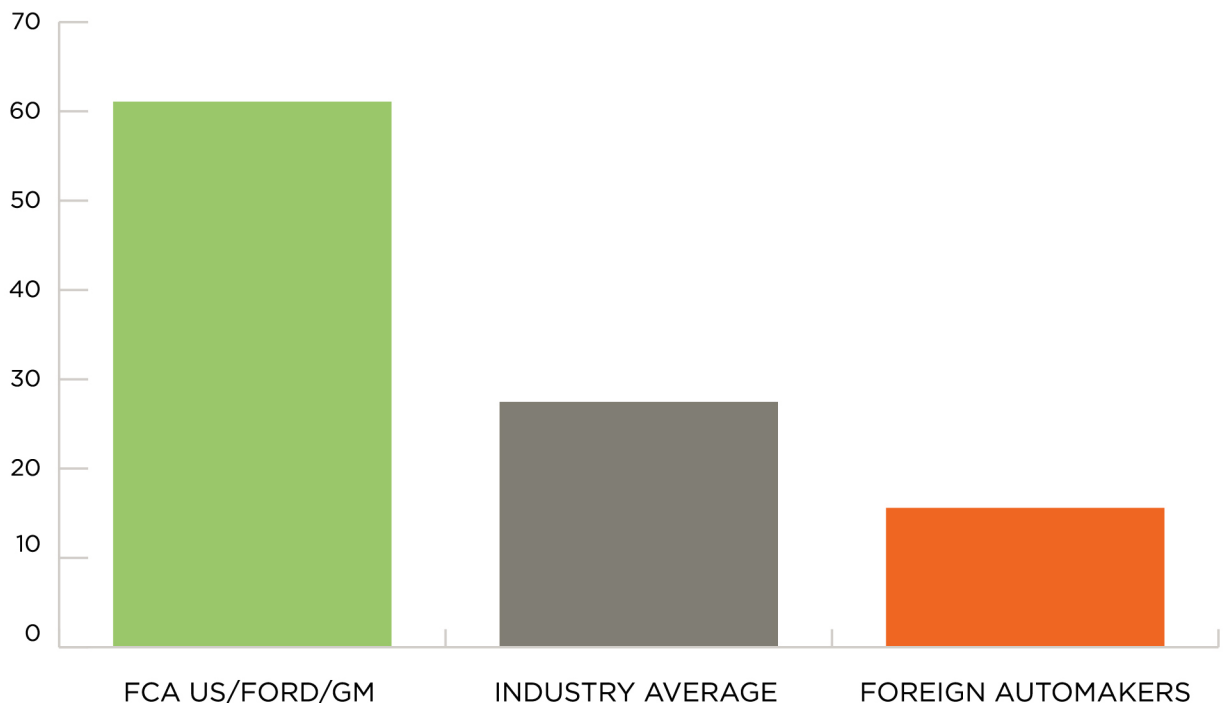
 FOREIGN COMPETITORS

FCA US/Ford/GM vs. Foreign Automakers

The industry's average score was 28; but that is a product of two very different scores:

FCA US/Ford/GM averaged 61, while foreign automakers averaged 16.

AVERAGE AU INDEX SCORE



Automaker Fleet Averages by Country

AVERAGE AU INDEX SCORE BY OEM COUNTRY

