

Auto-Industry Goes Green to Increase Fuel Efficiency

Einsphar Auto Plaza is well known to the residents of Brookings, South Dakota as a predominate dealership in town. It is not unlike any other local business in the city offering smiles and friendly service. What makes it unique is the fact that it has been directly affected by the large economical slides in the U.S. economy starting in 2007 and rising gas prices. With gas prices on the rise and families watching every dollar, Einsphar Auto is again evolving to meet the demands of consumers trying to stretch every mile from the gas they put into their tank.

The dealership was first sold to Ron Einsphar when he was only 28 years old making him the youngest Ford dealer in the country at the time. Ron Einsphar had worked for years selling Fords in Omaha, Nebraska. When the opportunity arose to move to Brookings, South Dakota he was hesitant. His father who worked as an estate lawyer in Lincoln, Nebraska had several clients from Brookings and told his son to take it. He told Ron Einsphar that Brookings was a good town and he had the opportunity to do well in town. Ron Einsphar chuckled as he thought back to his father's words and said, "Dad said if I didn't try it I was an idiot. His thinking was if I went bust, I would still be young enough to start over but if I succeeded then I would be set and he could stop worrying about me." The dealership opened November 1, 1969 under the Einsphar name and has been family run ever since.

Matt Einsphar, Ron's son explained how he went from running around the dealership as a young child to cleaning cars in high school and finally selling them in college. Although Matt Einsphar proudly attended South Dakota State University for several years, he gave up the college life to go to the National Automobile Dealer's Association's Dealer Academy.

"I regret not finishing my college degree," Matt Einsphar said, "But I realized I was making as much selling cars part time as my professor and I tuned him out. I knew I wanted to work in the dealership and attending the NADA academy gave me 15 years of knowledge in the business for 1 year of my time." Jokingly he admitted that while the academy was the right choice, he cannot believe he gave up the college lifestyle as a youth.

Being in the auto industry, the Einsphars know that to be successful, dealers they must follow every national trend affecting their products; from gas prices to new technologies. According to the National Traffic and Highway Safety Administration, gas prices are hovering around \$3.95 per gallon. This is up from the \$3.00 mark Americans saw just a few years ago. When asked about the national spike in gas prices and the effect on auto sales Matt Einsphar said, "It is definitely an issue our clients are thinking about. Even though we have not seen a drastic decline in trucks because of the tax credit farmers are receiving to purchase their trucks for work, it is still on every family's mind. Whether it is finding the most fuel efficient truck that is able to perform the jobs they need it to or downsizing the second family car rather than owning a truck and an SUV, families are having the one large car and one smaller fuel efficient car."

The Obama administration recently set standards for the automobile industry to produce cars that average 55 miles per gallon of gas by the year 2025. According to the Natural Resource Defense Council, Americans will save approximately \$70 billion in fuel costs and will cut the U.S. oil consumption by 1.7 million barrels a day by 2030. These standards sound good to consumers and environmentalists alike, including Matt Einsphar.

“Something needs to be done. I am all for fuel efficiency and it is pushing our big three auto dealers to once again be innovative and compete with foreign car makers again,” Matt Einsphar said when questioned about how the fuel efficiency standards will likely affect the dealership. “We are finally competing with Toyota, Nissan and Honda again. For a while people would come in and not even test an American made car.”

While he is happy to see the rise in completion of the big three American car dealerships: GM, Ford and Chrysler within the industry, he does admit that he is concerned about how the legislation will affect those needing the powerful and less fuel efficient trucks in the Brookings area. He believes that if gas prices continue to rise, consumers will demand the fuel efficient products and automakers will meet that demand naturally. Although gas prices are on the rise, Matt Einsphar does not believe they are high enough to impact consumer choices in South Dakota as much as other areas of the country. The Chevy Volt recently stopped being produced because the public demand was not high enough.

Matt Einsphar explained that many car makers currently have the ability and technology to produce cars that would reach 100 miles per gallon, but because of important safety standards and the materials needed to create them, the cars would cost upwards of \$100,000 which is something consumers will not buy. “There are a lot of exciting new technologies that are increasing fuel efficiency now that consumers are going to enjoy now,” Matt Einsphar said.

One of these technologies includes Ford’s future team up with Dow Chemical to manufacture carbon fiber cheaply enough to use in Ford’s models across the board. Currently carbon fiber is too expensive to use extensively in their mainstream models and has been restricted to use in their high-end sports cars. According to the April Kiplinger Letter, this will help reduce approximately 750 pounds per vehicle, which will be especially beneficial to the farmers in the South Dakota area who must meet the demands of their work with the future government mileage regulations.

Some of these technological and green industry advances by the big three American car factories have helped more than the individuals buying the cars but has brought many jobs to the South Dakota area as well. “One of my favorite things that South Dakota has brought to Ford is the foam they use in all of their cars’ seats now,” Matt Einsphar explained.

The South Dakota Soybean Processors, LLC. is located between Brookings and Volga and is owned by approximately 2,200 members. After the refining process of soybeans, the company was left with unusable crude soy oil. Recently, it was discovered that after mixing this oil with corn plastic, a foam is produced which Ford contracted and now uses for the cushioning of its seats. “What is cool about this is that it brings jobs to South Dakota, brings extra money to soybean producers in the state and is completely green,” Matt Einsphar said of the foam, “Not only does it reuse a byproduct that was once considered waste but if the seat of a Ford car goes into a dump it will break down because they are completely biodegradable now.”

Considering that so many new technologies include green materials produced in the state, the auto-industry has brought many jobs to South Dakota. While Matt Einsphar would have certainly preferred the auto-industry to not need a bail out in the first place, he is happy it was rescued considering the numerous jobs that South Dakota would have lost if plants had closed. “Not even including any of the dealerships, I would expect that 300 to 400 jobs would have been lost here in South Dakota. Products that the big three car industries are using for their new models are made here, from dashboards to this foam Ford is using the industry is definitely important to the area.”

