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Ford to Phase Out Taurus

By DANNY HAKIM

The Ford Motor Company is starting to write the obituary of the Taurus, the last American sedan that credibly competed with Japan.

Company executives said yesterday that the Taurus would be phased out in the middle of the decade and that three new vehicles Ford was developing would replace it.

Two of them will go on sale beginning next year: the Five Hundred, a large Audi-like sedan, and the Freestyle, a combination sport utility vehicle and station wagon that shares a similar European styling and will replace the Taurus wagon.

This week, at the press preview of the New York International Automobile Show, Ford executives will release the first pictures of the Futura, a midsize car aimed at the perennial champions of the car market, the Honda Accord and the Toyota Camry. Futura is to be introduced in 2005 and will offer a hybrid version that supplements its gas engine with electric power.



Prototypes of the Five Hundred, top, and the Freestyle a combination sport utility vehicle and station wagon which will succeed the Taurus.

"Following the launch of Futura, Taurus will retire," said Steve Lyons, president of the Ford division.

Ford has already planned to cut production of Taurus and its sister vehicle, the Mercury Sable. Next year production will be cut from two plants to just one, in Atlanta. Sales of the two cars peaked at 410,000 annually in 1992 and fell to 247,000 last year.

Can this alliterated trio Futura, Five Hundred, Freestyle make the passenger car business a profit center for Ford again? In the 1980's, the Taurus put Ford back on the map, but many critics said that Taurus's styling never made it out of that decade.

"Duplicating the old Taurus's success, or the current Accord's, would be like lightning striking twice," said John Casesa, an analyst at Merrill Lynch. "The Accord and the Camry are so established that the domestics are outsiders trying to fight their way back in."

Even a modest victory would go a long way for Ford. What the company needs, analysts say, is to re-establish a beachhead in the meat-and-potatoes passenger car market, especially with Japanese companies pushing into the last stronghold of Detroit, the pickup truck.

At stake is "not just their credibility," Mr. Casesa said, "it's their credit ratings. It's such a big part of the market it matters if they make money there."

Making cars profitable has been a perennial problem not just for Ford but the rest of the Big Three. General Motors, Ford and the Chrysler Group unit of DaimlerChrysler earn their automotive profits almost entirely from sales of S.U.V.'s and pickup trucks. Every year, it seems, one of the companies says it is rededicating itself to the passenger car and coming out with a new vehicle sure to be an Accord-Camry killer. The latest effort will be G.M.'s redesigned Chevrolet Malibu, which will hit showrooms later this year. G.M. has heavily promoted the Malibu, but analysts view it skeptically.

What can Ford learn from the Taurus experience?

After 18 years and nearly eight million Tauruses and Mercury Sables sold, Ford's flagship sedan has evolved from daring to dull in the eyes of most reviewers and customers. More important, Ford stopped making any significant profit on the Taurus years ago and now sells more than half of the cars on the cheap to rental or corporate fleets, or to its own employees.

But "until they restyled it and made it ugly, it was actually a popular car," said Maryann Keller, a longtime auto analyst. She was referring to a much criticized redesign of the car in the 1990's that rendered it an odd homage to the oval, with every light and curve slavishly adhering to form, and made it more expensive. Toyota and Honda have not seemed to make such mistakes with their flagship products.

Taurus, when it was introduced, "was an innovative car," Ms. Keller said. "It was Ford's time."

Douglas Brinkley, a historian who has written a new history of Ford, "Wheels for the World: Henry Ford, His Company, and a Century of Progress" (Viking Press, 2003), said the company effectively started over with the Taurus and took pains to create something with both fresh styling, and approached details as a priority, like color-coding dipsticks to make it easy for ordinary drivers to figure out where the oil went. Its styling was aerodynamic and markedly different from the boxy cars of the moment.

"Without that car, it's unlikely Ford would have been able to survive into the new millennium," he said. "It was an extraordinarily innovative car at the time. They had a blank page to work from and they started completely from scratch. They weren't just building it from leftover Ford parts."

Mr. Brinkley added, "The lesson of the Taurus is that you can't take a piecemeal approach, take parts from other cars, and have a new" vehicle.

Ford appears to be trying something different with the Futura a name Ford has used before on both production cars and prototypes which will be similar to a prototype called the 427 introduced in January in Detroit. Both have a somewhat squared look and horizontal aluminum bands creating a striking presence in the front.

J Mays, Ford's design director, said the "vehicle has American written all over it" adding that he did not want it to "look like a generic Japanese econobox."

For the other vehicles, Five Hundred and Freestyle, Mr. Mays, the former top designer at Volkswagen's Audi division, is more willing to concede he has envisioned European knockoffs.

"The appearance of these vehicles seem to be \$15,000 more than the cost of the car," Mr. Mays said. "These are going to be incredibly great values."

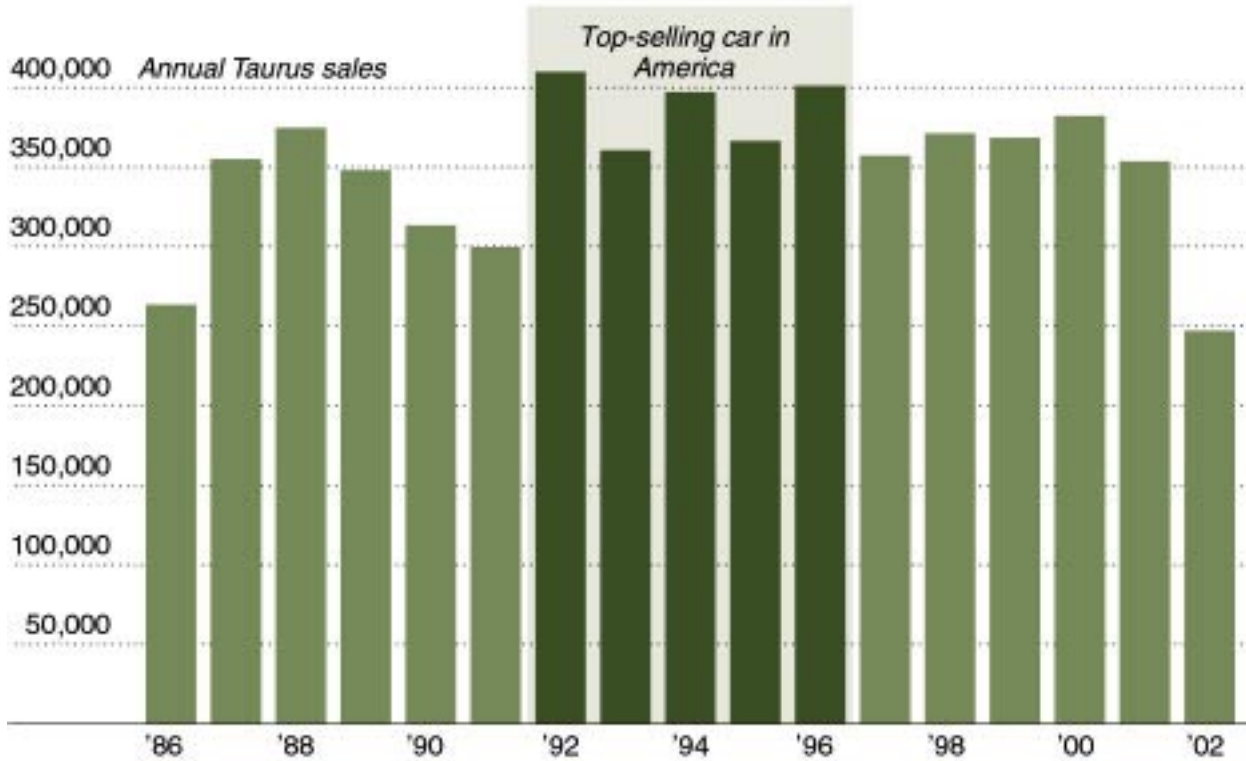
Of course, getting something inexpensive can either seem like a bargain or getting what you pay for, depending on the quality of the car. The new cars are still a year or two away from hitting the streets, which means Taurus will have several years as a lame duck far too long to wait, analysts say.

"Today is way too late," Ms. Keller said. "Last June was way too late."



Trading In the Taurus

Ford is phasing out its once formidable Taurus sedan in favor of three different vehicles, including the Futura. To keep it fresh, Ford redesigned the Taurus twice, but sales have softened lately.



Source: The Ford Motor Company