

Europe's 'smart' cars coming to U.S. — in 2 sizes

Importers promise 60-mpg coupes; carmaker itself eyes SUV

By Miguel Llanos

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The tiny car that won over Europeans with its cute looks and very high mileage is finally coming to America, just not in the way you might expect it to.

The 60-mpg, two-seat coupes are made by a European company called smart, but the [DaimlerChrysler](#) division is not the one selling them here anytime soon. True, they will be sold in Canada starting in September, but not so in the United States.

Instead, smart USA is betting Americans won't want the small smarts, at least not yet, and has taken a different strategy: a smart SUV, available here in 2006. The first press release touts not the mileage but that it's "loaded with adrenaline — both off road as well as on."

While that might run counter to smart's origins as a nifty, thrifty machine, it also has left the door open for third-party importers to bring the small smarts into the United States.

And that's exactly what several importers plan to do.

Importers' hurdles

The most ambitious plan was conceived by a German entrepreneur, an auto conversion specialist and an electric-vehicle company.

Thomas Heidemann threw himself, and \$5 million, into his import venture after selling his construction business in Germany. His goal: Selling 15,000 smarts a year in large U.S. cities.

Two years later, he's learned that it's not easy getting a foreign car modified for approval by U.S. agencies. But with the help of a G&K Automotive Conversion, a California company, he's finally gotten approval from the National Highway Transportation Safety Administration and is awaiting emission results from the Environmental Protection Agency.

Heidemann, of course, thinks smart has the wrong strategy. "I never would do an SUV because there are so many of them already," he says. Besides, "the times are changing, you see that with hybrid cars, with smaller cars" like the popular [MINI Cooper](#).

Heidemann's company, smart-automobile, Inc., signed a deal to sell the cars through ZAP, a California company that until now had specialized in all-electric vehicles. ZAP

has agreed to pay \$10 million for exclusive rights to distribute the car for 10 years and is now lining up dealers.

"The response has been incredible," says Alex Campbell, a ZAP spokesman. "When people found out that we were in this deal, they have been contacting us wanting to buy them right away."

Pricing should run between \$12,000 for the cheapest model, and just over \$20,000 for a convertible with all the available extras, Heidemann says. That's a markup of a few thousand dollars over the price in Europe, where Heidemann has been buying them from dealers.

Each dealer will have a service department, he adds, and vehicles will be warrantied by smart-automobile. Specifics are being worked out, but a basic warranty should be around 36 months.

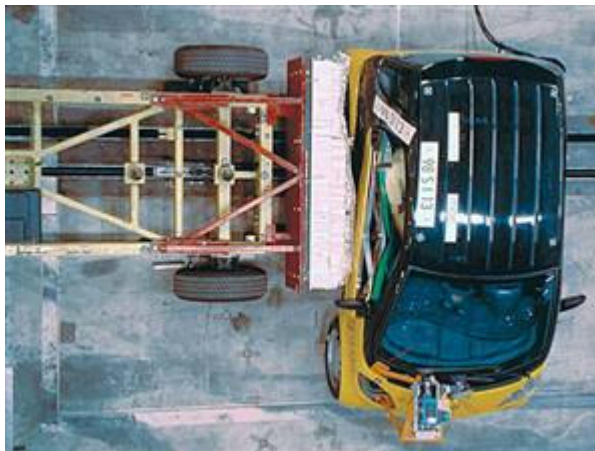
Some 200 are in a California warehouse, he adds, ready to ship once the federal green light is given. Ironically, California won't be one of the first states to see the cars, since its car certification process is even more stringent than U.S. standards.

But is it safe?

A potentially bigger obstacle for Heidemann is convincing Americans that the smart cars — just over eight feet long — are safe.

In Europe's five-star crash rating system, the smarts get three stars.

Since introducing smarts in 1998, the carmaker itself has spent time and advertising money convincing Europeans on safety, touting a frame design it likens to a walnut, with high-strength steel beams reinforcing key areas.



Smart also likes to show off a 30-mph crash test between a smart coupe and a Mercedes sedan twice as big. "The passenger cell survived the collision almost unscathed," says spokeswoman Julia Knittel.

Other safety features on the manual transmission smarts include braking and stability technology usually found only on high-end luxury cars. And on hills, a start assist keeps the brakes on for just under a second to allow time for the feet to adjust.

Adrian Lund, of the Insurance Institute for Highway Safety, isn't impressed by such claims, saying that "every carmaker advertises that they have the state of the art design" on safety.

But he adds that as long as the imports meet with federal approval "they're not unsafe."

"On the other hand," he says, "they are small and lightweight and cannot protect you" as well as a larger car. "Fatalities are much higher with small, lightweight vehicles."

The institute, a group funded by insurers that crash tests cars, hasn't tested the smarts and probably wouldn't unless they were sold in large quantities.

"I don't expect them to be less safe than other small cars," Lund says, "it's just that they face the same limitations."

Parent's plans

Smart USA, which is run out of the [Mercedes-Benz](#) USA headquarters in Montvale, N.J., won't have to worry about the size issue with its SUV, dubbed the formore.



But why doesn't smart itself bring in the smaller cars? It feels a bigger market lies in the small SUV segment, where drivers can get a bit of both worlds. So smart will build a vehicle similar in size to the [Toyota RAV4](#) and [Honda CR-V](#) and sell them through 60 Mercedes dealers.

The company hopes to sell 30,000 a year in the United States, and product manager Mark Ramsey says the first should be available in the third quarter of 2006. No price has been set yet.

As for the small smarts, Ramsey says the company is flattered by the importers. "It speaks very well for the car and the brand in general," he says, while adding that his concern about third-party imports is how they'd be serviced and warrantied.

And Ramsey doesn't discount the possibility that the company might sell the small smarts, known in Europe as fortwos, through Mercedes dealers in America some day. "We are definitely looking at the next generation of the fortwo to come to the United States," he says.

Canadians get diesel versions

Up north, meanwhile, Canadian drivers will get two-seater smart cars starting in September. In fact, they'll have two models to choose from that get around 70 mpg because they're diesels, not gasoline-powered.

The models use what's called common rail diesel, a technology that's cleaner than older diesel engines. The top speed is 75 mph and prices start around \$12,100 for the coupe and \$15,170 for the cabriolet.

So what about heading north and bringing a diesel-powered smart back over the border? JoAnne Caza, a Mercedes-Benz spokesperson in Canada, says don't even think about it. "It is not possible since the Canadian car is not certified for sale in the USA," she says.

Heidemann, for his part, is optimistic the first smarts in the United States will be ready for purchase "in four or five weeks."

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