

Nissan Wins \$1 Billion Pact To Provide NYC Taxis

New York City Mayor Michael Bloomberg said Tuesday that Japanese automobile company Nissan Motor Co. (NSANY, 7201.TO) had won a 10-year, \$1 billion contract to provide thousands of taxis to the city beginning in about two years.

The other "Taxi of Tomorrow" finalists were Ford Motor Co. (F) and Turkish car maker Karsan Otomotiv Sanayii ve Ticaret AS (KARSN.IS). At a press conference here, Bloomberg said none of the interested bidders proposed making their cars in the U.S., at least at first, so the move shouldn't be seen as choosing a foreign company over a domestic one.

Nissan will make the minivan-like NV 200 for the New York City contract in Mexico, the mayor said, and convert them into cabs in the U.S.

"Ford is proud to have been a finalist," Ford spokesman Said Deep said in an interview. "As the nation's leading taxi provider, we will continue to work with the city of New York and its taxi operators on solutions for today and tomorrow."

The Transit Connect taxi is already on the streets of several cities, Deep said, including Boston, Chicago and Las Vegas, where "it is proving to be very well-suited to the needs of both drivers and passengers." Deep said it hopes to work with the city to approve the Transit Connect for immediate service in the interim.

In a press release, Bloomberg pledged that the NV 200, which counts a transparent roof panel and a mobile charging station for passengers, among other amenities, will be "the safest, most comfortable and most convenient cab the city has ever had."

A Nissan spokeswoman said the company is "thrilled" to have been awarded the contract. The contract calls for Nissan to replace the city's cab fleet with NV 200s, as well as replace the vehicles as needed, and the spokeswoman noted that cab operators need to replace about 2,600 vehicles a year on average.

The city began the process of choosing a new flagship cab in 2007 and began soliciting proposals in late 2009, and the spokeswoman said the NV 200 taxis will be rolled out over time, with the first hitting the street in late 2013 with a manufacturer suggested retail price around \$29,000 apiece.

Source: DOW JONES NEWSWIRES. 2011/05/04 (-By Maxwell Murphy)