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## *daily*

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**IACocca SPURNED BY DCX's SCHREMP.** Lee Iacocca tells *The Detroit News* he offered repeatedly to help bolster consumer confidence in Chrysler but was "stiffed" by DaimlerChrysler Chairman Juergen Schrempp who "doesn't want to be upstaged by even the aura of having me around."

Given the size of the two egos involved, that hardly seems surprising. Iacocca, the former Chrysler chairman who partnered with Kirk Kerkorian in an unsuccessful attempt to buy Chrysler, had been under a gag order to keep his views to himself until January. Now 77, he tells the *News* he still hankers to get back into the limelight.

Iacocca also says he should have anointed Bob Lutz rather than Bob Eaton to succeed him as CEO. He blames Chrysler's board for pressuring him into what he now calls the "biggest mistake in my life." Eaton, he contends, was "in over his head" and botched the Daimler-Chrysler merger. Lutz, he says now, "sure as hell would have been a lot better" at captaining the company.

In today's *News*, Iacocca offers his views about the rise of General Motors, the decline of Ford and the end of his political aspirations.

**DELPHI SHORTENS NAME, BROADENS SCOPE.** Delphi Automotive Systems Corp. is now just Delphi Corp. Also known as the world's largest auto supplier, Delphi says its more generic name signals an intent to develop more business outside the auto industry.

The \$26.5 billion company, once the Automotive Components Group of General Motors, became the Delphi Automotive Systems unit in 1995. GM, which spun off the company three years ago to help it win business from other companies, still accounts for two-thirds

of Delphi's business.

The company notes that it began dropping the "automotive systems" part of its name last year when pursuing nonautomotive markets.

**MORE SIGNS OF ECONOMIC RECOVERY.** Factory production in the U.S. grew 0.4% in February after increasing 0.2% in January, reports the U.S. Dept. of Commerce. It's the first time in 18 months that output improved in two consecutive months.

The good news comes as the University of Michigan's consumer confidence index jumped to its highest level since the end of 2000.

**EUROPE PREPARES QUOTAS FOR U.S. STEEL.** The European Union is about to impose retaliatory quotas on U.S.-made steel, reports *The Times* in Great Britain. The report says the EU will announce the measures "within days" in response to protective U.S. tariffs on imported steel that begin this week.

**NO CHANGE IN OPEC OIL PRODUCTION THROUGH JUNE.** As expected, the Organization of the Petroleum Exporting Countries decided Friday against increasing oil output through June. Analysts predict a mild increase in gasoline prices in the U.S. between now and then.

OPEC cut production roughly 6% in January to reverse a slide in oil prices. The cutback, coupled with slowly improving demand for petroleum products, has pushed oil prices back into the bottom end of the \$22-\$28 per barrel range OPEC prefers. Cartel ministers have indicated they aren't likely to pump more oil until prices move above about \$25 per barrel.



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**CHRYSLER PLANS 11 NEW VEHICLES OVER TWO YEARS.** Chrysler says it reduced its five-year product development budget 28.5% to \$30 billion but will introduce 11 new vehicles—five more than previously planned—by 2004 anyway.

CEO Dieter Zetsche mentioned the figures in a speech to the National Press Club on Friday. He didn't define what qualified as a "new" vehicles and didn't say exactly what was coming besides the Chrysler Crossfire, a sports coupe to be assembled in Germany.

**GM FINANCE GETS TWO NEW LEADERS.** Paul Schmidt, 57, takes over as controller at General Motors on April 1. He replaces Wallace Creek, 63, who was named a special advisor for critical projects to CFO John Devine.

Schmidt, who was in charge of GM investor relations for the past six months, will be succeeded in that post by Randy Arickx, 45. He was most recently director of business development at OnStar.

**NO BONUS FOR DELPHI'S BATTENBERG.** Delphi CEO J.T. Battenberg III got no bonus for 2001 and had his pay frozen at only \$1.45 million.

Fortunately, he did receive stock options worth more than \$4 million and got what Reuters describes as a payout of \$1.28 million for achieving Delphi's long-term incentive plan. Last year Delphi's net earnings fell about 80% to \$220 million, not counting restructuring charges, on 10% lower sales.

**GM BEGINS TWO-DAY ANALYSTS MEETING TODAY.** General Motors will update financial analysts starting with overview meetings in Detroit this evening. Detailed presentations will begin tomorrow morning and end at 2 p.m.

**HINO IN VENTURE TALKS WITH SCANIA.** Hino Motors, the heavy truckmaking company 50% owned by Toyota Motor Corp., confirms it is talking to Sweden's Scania truck company about a partnership of some sort.

The company won't discuss details yet. But a report in yesterday's *Asahi Shimbun* says the two companies will supply each other with trucks, and Hino also will ship engines to Scania.

A cooperative deal would give each manufacturer exposure in the other's home market region. The pending deal also has prompted some analysts to speculate that Toyota might want to buy Scania, currently 45% owned by Volvo.

The European Commission blocked Volvo's plan to buy Scania in 2000 and instead gave Volvo until January 2004 to sell its share. Volkswagen holds nearly 19% of the company but may be thinking of shedding its stake too.

**TRW TOUTS ITS AUTOMOTIVE UNIT.** TRW faces a tough job convincing investors that its \$10 billion automotive unit would thrive as an independent company, reports today's *Wall Street Journal*.

TRW says it wants to spin off the unit, which accounts for two-thirds of its revenues, in an effort to thwart a hostile takeover bid by Northrop Grumman Corp. But analysts tell the *Journal* that the company's operating margins, somewhere between 4% and 5%, are about half what they were in 1996. They also complain that parts of the company, notably its airbag business, lag in technology, market share and cost control.

TRW has scheduled a special April 22 shareholder meeting to present its spinoff plan. Some observers say the whole plan is merely an effort to coax Northrop, which says it wants to spin off TRW's automotive unit too, into making a higher bid for the entire company.



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## CALIFORNIA DELAYS BAN ON MTBE FUEL ADDITIVE.

California's governor has decided to give oil refiners until January 2004 to phase out MTBE (methyl tertiary butyl ether), an emissions-lowering gasoline additive suspected of being carcinogenic.

MTBE producers insist their chemical is safe, although the additive has been blamed for tainting underground water supplies. Many environmentalists think ethanol should be specified instead.

Both additives help reduce exhaust emissions, especially in warm weather, by adding oxygen to fuel. California's Gov. Gray Davis says a state-commissioned study indicates fuel prices might double if oil companies aren't able to swap ethanol for MTBE fast enough.

**GM BEGINS TALKS WITH DAEWOO'S UNION.** General Motors was to begin its first formal talks today with the militant union that so far has opposed its plan to buy pieces of bankrupt Daewoo Motor Co.

Winning over the union is key to GM's \$400 million purchase plan, since the union's contract with Daewoo enables it to block the sale of company assets.

The union, whose ranks were decimated by earlier downsizing efforts at Daewoo, says it thinks a GM takeover might lead to more layoffs. It wants GM to agree to rehire everyone laid off by Daewoo as it struggled with bankruptcy and growing difficulty finding a buyer.

*Automotive News*, meanwhile, reports that Daewoo's

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U.S. sales unit has become another roadblock to the deal. It says GM wants to exclude sales units in the U.S. and other areas outside Korea and focus on Daewoo's home market, but Daewoo's creditors have rejected the idea.

**CAMRY TOPS MOST-STOLEN LIST.** The 1991 Toyota Camry is America's most popular car to steal, reports CCC Information Services Inc. in Chicago. The Camry has topped the company's list for five consecutive years. It says Chevrolet is the most-stolen brand and that the Honda Accord is the most-stolen vehicle across all model years.

## FRIDAY'S CLOSING STOCKS

| STOCK             | SYMBOL | CLOSE     | CHANGE | STOCK               | SYMBOL | CLOSE | CHANGE |
|-------------------|--------|-----------|--------|---------------------|--------|-------|--------|
| DOW               |        | 10,607.23 | +90.09 | EDS                 | EDS    | 63.50 | +1.35  |
| NASDAQ            |        | 1,868.30  | +14.16 | Ford                | F      | 16.93 | +0.02  |
| Autoliv           | ALV    | 25.10     | +0.25  | General Motors      | GM     | 60.75 | +0.85  |
| ArvinMeritor      | ARM    | 28.35     | -0.02  | Gentex              | GNTX   | 29.99 | -0.31  |
| American Axle     | AXL    | 28.29     | +0.78  | Goodyear            | GT     | 27.51 | -0.14  |
| Dana              | DCN    | 21.90     | +0.15  | Johnson Controls    | JCI    | 88.57 | -1.77  |
| DaimlerChrysler   | DCX    | 46.91     | +2.01  | Lear                | LEA    | 49.27 | +0.51  |
| Donnelly          | DON    | 16.35     | +0.01  | Magna International | MGA    | 72.17 | -0.28  |
| Delphi Automotive | DPH    | 16.25     | -0.29  | TRW                 | TRW    | 50.84 | -0.08  |
| Eaton             | ETN    | 83.20     | -0.72  | Visteon             | VC     | 16.28 | +0.12  |



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without Windows?




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