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SUPPLIERS SAY FORD IS ITS OWN WORST ENEMY ON QUALITY. Ford Motor Co., which last week blamed suppliers for most of its quality problems, should blame itself instead, according to an independent supplier survey to be released in two weeks.

Suppliers say Ford is the worst OEM in North America at helping them meet company quality goals, according to preliminary results for this year's OEM Benchmark Supplier Study by Planning Perspectives Inc., an 18-year-old management consulting firm in Birmingham, Mich. The study, which allows suppliers to comment anonymously, compares Ford, General Motors, Chrysler, Honda, Nissan and Toyota across a wide range of issues.

Suppliers say most of Ford's problems are due to excessive and late engineering changes, an over-emphasis on price over quality and conflicting objectives within the company. Planning Perspectives President John Henke says Ford could resolve such issues relatively quickly and easily, but only by admitting its problems.

MICHELIN DROPS GM IN EUROPE. Michelin has refused to meet price reductions demanded by General Motors Europe and will stop supplying the unit with original equipment tires at the end of July.

The French tiremaker says the loss won't affect its 2002 forecasts. It plans to redeploy affected capacity to "other market needs." Continental AG says it is among several tiremakers who will pick up Michelin's share of the GM business, a statistic nobody wants to discuss.

Separately, Goodyear Tire & Rubber Co. has indicated it also may drop GM unless it can improve its profitability on original equipment tire sales to the automaker.

Margins are always tightest on OEM tires, but suppli-

ers pursue such business primarily in hopes of landing more lucrative replacement tire sales later on. Michelin has been saying for some time that it intends to focus on the market for relatively high-performance, high-tech tires.

ONE-THIRD OF TIRES MAY FLUNK PROPOSED STANDARDS. About 33% of tires currently being sold in the U.S. would probably fail at least one of the new performance standards being contemplated by the National Highway Traffic Safety Administration.

The NHTSA had been ordered by Congress to come up with new regulations by June 1. That deadline won't be met as regulators and the tire industry continue to skirmish over the standards, which would consider tire aging and test tires at higher speeds and for longer distances.

NHTSA guesses that about 400 deaths and 10,300 injuries annually can be blamed on tire failures, although it concedes that statistics on the topic are shaky. It estimates that its new rules will prevent 27 deaths and 667 injuries annually at a yearly cost to the tire industry of about \$282 million, or roughly \$4 per car. Automakers believe the cost would be higher.

BIG THREE PREDICT HIGHER QUALITY RATINGS. Detroit's Big three automakers all expect to post gains when J.D. Power and Associates releases its initial quality index today.

GM, which was leading Nissan Motor Co. halfway through this year's survey, expects to displace the company and capture third place after Toyota Motor Corp. and Honda Motor Co. If it does, it will be the first time a U.S. automaker has ranked that high since J.D. Power began its survey 16 years ago.



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Last year GM, Chrysler and Ford ranked 4th, 5th and 7th in the study, which rates companies in terms of the number of customer complaints per 100 vehicles during the first 90 days of ownership. Top-rated Toyota had a score of 115 last year but was running at 109 midway through the current survey, according to Reuters.

SIEMENS TO BUY DELPHI'S INSTRUMENT BUSINESS? Siemens AG is about to buy the vehicle instrumentation unit of Delphi Corp., says the German edition of the *Financial Times*.

Siemens says only that its automotive unit is concentrating on businesses that include instrumentation and other automotive electronics. Last year the company acquired VDO, a German maker of instrumentation, and renamed its auto business Siemens VDO Automotive.

RENAULT, NISSAN TO DISCUSS NEW ALLIANCES. Renault-Nissan BV—the Dutch-based holding company set up last year to oversee the operations of Renault SA and Nissan Motor Co.—holds its first board meeting today to talk about launching several new joint ventures between the two companies, reports the *Financial Times*.

It says the companies will discuss whether to create new companies to integrate distribution, finance and information systems. They also are expected to map out joint purchasing plans and begin the process of deciding how to produce engines jointly for both companies.

Renault owns 44% of Nissan and Nissan owns 15% of Renault. Both companies say they prefer to look for joint ventures rather than consider an outright merger.

MITSUBISHI HIRES FORMER FORD, HONDA EXECUTIVE. Mitsubishi Motors Corp. has appointed Eiji Iwakuni, who had been in charge of Ford Japan, to its board.

Iwakuni, an expert in reviving dealer networks, took

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over at Ford Japan three years ago after more than three decades at Honda Motor Co. Such job-hopping is extremely rare in Japan.

Iwakuni tells *The Wall Street Journal* the move was prompted by orders from Ford last week to halt his attempts to develop links between Ford and such Japanese automakers as Toyota. Ford and Toyota have dabbled in joint development programs for some time with little result.

FEDERAL-MOGUL ASBESTOS CLAIMS DUE BY MARCH. People with asbestos-related claims against Federal-Mogul Corp. must file them by next March 3, a bankruptcy court judge in Delaware has ruled.

Federal-Mogul, pointing out that only one of the 146 asbestos lawsuits filed against it has been brought since 1994, argued unsuccessfully for an earlier cutoff date. Dow Jones Newswires says the ruling is likely to keep the Southfield, Mich.-based supplier under Chapter 11 bankruptcy protection until at least the March 3 deadline.

WEDNESDAY'S CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE	STOCK	SYMBOL	CLOSE	CHANGE
DOW		9,923.04	-58.54	EDS	EDS	53.35	-0.70
NASDAQ		1,624.39	-27.78	Ford	F	17.73	+0.14
Autoliv	ALV	23.70	+0.05	General Motors	GM	63.00	-1.00
ArvinMeritor	ARM	27.50	-1.02	Gentex	GNTX	31.41	-0.34
American Axle	AXL	32.63	-1.03	Goodyear	GT	22.16	-0.08
Dana	DCN	21.70	-0.32	Johnson Controls	JCI	89.30	-0.65
DaimlerChrysler	DCX	50.27	+0.31	Lear	LEA	48.90	-0.80
Donnelly	DON	19.60	-0.20	Magna International	MGA	70.95	-1.71
Delphi Automotive	DPH	16.13	-0.11	TRW	TRW	54.63	-0.37
Eaton	ETN	82.00	-2.26	Visteon	VC	15.96	-0.02

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