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WEDNESDAY
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STOCKS REGROUP. Most stocks declined again on Tuesday. But trading volumes and losses were more in line with a normal trading day as buyers returned to the market.

Analysts say underlying volatility remains as skittish investors shift their focus from concern over the flagging economy to worries about national security. Sharp swings will continue, they say, until the Bush Administration defines the terms of its war on terrorism.

U.S. FUEL PRICES STABILIZE. After three days of sporadic price hikes following last week's terrorist outbreaks, average gasoline prices in the U.S. have returned to pre-attack levels.

The average price of a gallon of unleaded regular is now about \$1.54, only 0.4 cents higher than it was the day before terrorists crashed planes into the Pentagon and World Trade Center, according to AAA's Daily Fuel Gauge Report. The U.S. Energy Information Administration says the average was \$1.53 on Monday, up 0.2 cents from a week earlier.

Fuel prices had risen about 13 cents over the previous month because of reduced refinery output in the Midwest.

FORD SETTLES ROLLOVER LAWSUIT. Ford has again avoided going to court over a Ford Explorer-Firestone tire rollover accident, this time by settling a lawsuit one day before trial was to begin in Brownsville, Tex.

An out-of-court settlement was expected. But a jury had been selected to begin hearing charges today that the Explorer's handling characteristics somehow contributed to a fatal rollover accident. Terms of the settlement are being kept secret.

Firestone had settled with the plaintiffs last month. Ford was prepared to defend the safety record of the Explorer and direct blame for the accident to Bridgestone/Firestone's

tires. The next scheduled trial involving the two companies, also in Texas, is in November.

So far the companies have avoided the damaging effect of a jury decision regarding responsibility for rollover crashes by settling hundreds of cases before they got to court. Last month Firestone was sole defendant in a trial that ended with a settlement after the jury had begun deliberations.

DCX JOINS GM AND FORD ON S&P'S CREDIT WATCH. Standard & Poor's, the debt rating company, has added DaimlerChrysler to its CreditWatch list, indicating it is likely to reduce its debt ratings for the company.

General Motors and Ford were on the list already. S&P says it will probably downgrade all three automakers because it anticipates "exceptionally weak" vehicle sales in North America for at least two quarters as U.S. consumers retrench following last week's terrorist attacks.

U.K., JAPAN CUT INTEREST RATES. Central banks in Japan and Britain cut their base interest rates on Tuesday by 0.25 points and 0.15 points, respectively, to support the half-point cuts made on Monday in the U.S., Canada and continental Europe.

The U.K. cut reduced interest rates to their lowest level since 1964. Japan's reduction was mainly symbolic, since the central bank already has reduced the primary lending rate almost to zero in an unsuccessful attempt to restart the Japanese economy. Unimpressed Asian and European stock markets dropped anyway.

AIRLINE RESCUE PLAN DUE NEXT WEEK. U.S. Transportation Secretary Norman Mineta promises to present Congress with a financial bailout package for the nation's already-troubled airline industry next week.



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But it isn't likely to meet the \$30 billion or so in financial and tax relief that carriers say they need to survive five days of zero revenue following last week's terrorist attacks.

The U.S. airline industry, reportedly losing up to \$1 billion per day, has announced some 50,000 layoffs so far, including up to 30,000 at Boeing alone, over the next two years. Analysts say the industry's layoff announcements may top 100,000 by the end of September as travelers stay home and carriers struggle to adjust schedules and grapple with the high fixed costs of the airline business.

The ramifications for business in general and automaking in particular will be huge. So far, there aren't many answers to questions about how the crisis will affect the industry's travel and supply assumptions.

VISTEON SEES THIRD-QUARTER LOSS. Visteon Corp. now expects to lose between \$60 million and \$70 million in the third quarter due to the decision by Ford, its largest customer, to trim at least 110,000 vehicles from its production schedule in the final two weeks of the period.

The Dearborn, Mich.-based supplier previously expected third-quarter profits to be somewhere between zero and \$20 million but notes it can't adjust costs fast enough to offset Ford's eleventh-hour production cut.

J.B. HUNT CUTS EARNINGS OUTLOOK 80%. J.B. Hunt Transport Services, a large trucking company based in Lowell, Ark., is blaming higher costs and a sharp drop in freight demand for an expected drop in its third-quarter earnings from 26 cents to 5 cents per share.

The company's glum announcement says the freight industry continues to struggle with precarious financial conditions, tight credit, collapsing used truck prices, spiraling operating costs and chronic excess capacity even after more than a year of consolidation.

COURT DENIES BID TO SUPERVISE FORD LAYOFFS. Ford may proceed to eliminate 5,000 white collar jobs without having the process supervised for fairness by a court judge, reports *The Detroit News*.

Wayne County (Mich.) Circuit Court Judge Edward Thomas made the ruling, rejecting a request for supervision made by attorneys representing a group of managers suing Ford for age discrimination.

The lawyers had argued that Ford's offer of a buyout

in October might deter plaintiffs from pursuing the case, since they could receive an early retirement package only by agreeing not to sue the company.

The judge ruled that court supervision will not be necessary because any Ford offers made to those suing the company can be reviewed by them and their attorneys for 45 days before a decision is required.

HUGHES SALE STALLS AGAIN. General Motors hasn't stopped trying to sell its Hughes Electronics unit to News Corp. or EchoStar Communications.

But it concedes a deal makes less sense than it did two weeks ago, since the value of the company in terms of stock price plunged 24% in the first two days of this week, closing at a 52-week low of \$12.30 per share yesterday.

GM owns Hughes, but investors control two-thirds of it through tracking stock. Stock price figures heavily into both offers to buy Hughes, which is being sought for its DirecTV satellite entertainment business.

DON'T WORRY, BE HAPPY. German Chancellor Gerhard Schroeder says the world can avoid a recession by being firm and optimistic, reports Reuters.

Speaking to reporters during the Frankfurt auto show, Schroeder declares that business and politicians must together show decisiveness and clear thinking in the wake of last week's terrorist attacks.

If they do, he believes, "We can steer economic development in the next few months in such a way that no one need fear for their jobs or prosperity."

TAIWAN PREPARES TO FOLLOW CHINA INTO WTO. Immediately after processing China's membership in the World Trade Organization, WTO officials began doing the same for Taiwan.

Taiwan has banned direct trade with China since breaking from the country in 1949. It would not be allowed to do so under WTO "most favored nation" principle, which requires members to treat each other's goods and services equally.

China and Taiwan have been trying to join the WTO for 15 and 11 years, respectively. China still considers Taiwan an errant province with whom trade disputes are domestic matters that fall outside the WTO's jurisdiction. Experts predict plenty of fireworks ahead between the

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two governments and due to unresolved trade issues involving China alone.

LAND ROVER TO SAVE UP TO \$450 MILLION BY POOLING PURCHASES. Ford's Land Rover unit thinks it can cut its \$3 billion annual bill for parts and materials 10% to 15% over the next two years. The key: dump the purchasing system imposed by BMW, its former owner, and pool its purchases with Ford instead.

According to the *Financial Times*, Land Rover began the changeover to Ford's purchasing process this month. Comparing costs within the two systems, says CEO Bob Dover, confirms "there is a lot we can do."

The cost-cutting move is intended to return Land Rover to profitability, something that won't happen until next year or beyond. Eventually, the U.K.-based company that Ford bought last year will undoubtedly share some platforms and components with Ford's own SUVs.

AMICA MUTUAL TOPS AUTO INSURANCE SATISFACTION INDEX. This year's top three auto insurers in terms of customer satisfaction are Amica Mutual, Erie Insurance Group and State Farm, according to a study by J.D. Power and Associates.

Rhode Island-based Amica, which describes itself as America's oldest mutual insurer of automobiles, also headed last year's rating. The report says Amica was the only provider of 21 surveyed this year whose customer satisfaction rating didn't drop significantly as insurers boosted premiums an average of \$75 per year.

The survey says only about one-third of consumers plan to stick with their current auto insurance provider. Many of the rest indicate they would jump to another provider to save money. About half who expect to shop for auto insurance in the coming year will use the Internet to compare rates, up from 14% who used the Web for that purpose last year, according to the report.

DAEWOO PLANTS BACK IN OPERATION. Daewoo Motor Co. says two plants in Korea are running again after suppliers staged a one-day halt in shipments to the facilities at Pupyong and Kunsan.

The protest was an attempt to convince Daewoo's creditors to compensate them for a larger proportion of the \$680 million they are owed by the automaker.

Under the terms of Daewoo's bankruptcy last November, creditors are paying 40% of the company's bills, reports Dow Jones Newswires. It says suppliers called off the supply halt after one day to avoid shutting down Daewoo entirely.

DECOMA BUYS AUTOSYSTEMS MANUFACTURING. Canada's Decoma International is buying Autosystems Manufacturing—a Belleville, Ont.-based supplier of headlamp assemblies primarily to General Motors and Visteon—for about US\$7.7 million.

Autosystems had frequently been an honored supplier to Ford and GM in the mid-1990s, but then fell into receivership managed by KPMG. The purchase is expected to be completed on Sept. 28.

TUESDAY'S CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE	STOCK	SYMBOL	CLOSE	CHANGE
DOW		8,903.40	-17.30	EDS	EDS	58.90	+1.90
NASDAQ		1,555.08	-24.47	Ford	F	16.93	+0.38
Autoliv	ALV	16.15	-0.42	General Motors	GM	44.01	-0.59
ArvinMeritor	ARM	14.30	-0.72	Gentex	GNTX	23.07	+0.41
American Axle	AXL	12.65	-1.30	Goodyear	GT	19.81	-0.71
Dana	DCN	15.37	-0.02	Johnson Controls	JCI	60.74	-3.59
DaimlerChrysler	DCX	32.68	-0.59	Lear	LEA	26.56	-1.43
Donnelly	DON	14.65	-0.41	Magna International	MGA	47.57	-1.48
Delphi Automotive	DPH	11.49	-0.01	TRW	TRW	31.80	-1.10
Eaton	ETN	63.04	-0.91	Visteon	VC	13.62	-0.51



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Watson Wyatt Worldwide - International Group

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Employment & Labor Department - Butzel Long

Immigration & Executive Transfer Issues

R. Patis, Attorney - Immigration - Butzel Long

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P. Bradford, Managing Director, Int'l - HR P (UK)

Donnelly's Global HR Experience

J. Wujkowski, Mgr, Global Recruitment - Donnelly

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