



## *Weekly Car Dealers Newsletter*

November 30, 2009

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This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources.

# Week of November 30, 2009

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### [\*\*VOLKSWAGEN, PORSCHE APPROVE CONTRACTS IN MERGER MOVE\*\*](#)

Volkswagen AG's supervisory board signed off on contracts for its takeover of Porsche SE in stages, clearing the way for Europe's largest automaker to add the 911 sports car to its model lineup. Porsche's controlling shareholders, the Porsche and Piech families, also approved the documents after meeting (Friday) at Volkswagen's headquarters in Wolfsburg, Germany, the sports-car manufacturer said in an e-mailed statement. Separately, Volkswagen endorsed the purchase of assets of insolvent carmaker Wilhelm Karmann GmbH. "Volkswagen is moving forward in its quest to become No. 1 in global auto building," said Stefan Bratzel, head of the Center of Automotive Research Institute in Bergisch-Gladbach, Germany. "This merger implies enormous synergies." (Volkswagen Chief Executive Officer Martin) Winterkorn has a target for VW to overtake Toyota Motor Corp., the world's biggest automaker, in deliveries and profit margins by 2018. Porsche will become the 10th brand at VW, which also owns Audi in Germany as well as sports-car maker Lamborghini in Italy and Crewe, England-based Bentley.

Source: *Bloomberg*

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### [\*\*KOENIGSEGG DROPS PLANS TO BUY GM'S SAAB\*\*](#)

Swedish supercar maker Koenigsegg Group AB has terminated its agreement to buy the Saab brand from General Motors Co. "We're obviously very disappointed with the decision to pull out

*A Member of the MacKay Network*

of the Saab purchase," GM CEO Fritz Henderson said today in a statement announcing Koenigsegg's decision. "Given the sudden change in direction, we will take the next several days to assess the situation and will advise on the next steps next week."

Source: [Automotive News](#)

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### **ANALYST PREDICTS SMALL AUTO SALES COMEBACK IN 2010**

DETROIT -- The U.S. auto industry will recover only a little next year, weighed down by high unemployment and other troubles that will continue to limit economic growth, a top industry analyst said Monday. Fitch Ratings analyst Mark Oline predicted that sales will rise to 11.1 million cars and trucks next year, a 7.8 percent increase over the 10.3 million he expects for 2009. Source: [The Associated Press](#)

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### **THE INSIDE STORY OF THE GM, CHRYSLER BAILOUTS**

WASHINGTON -- Detroit's Big Three automakers came closer than America realized to becoming the Big Two. General Motors Corp. ended merger talks with Chrysler LLC in November 2008 to focus on getting emergency federal aid, but Chrysler continued to believe a tie-up with GM was its best chance for survival. The GM-Chrysler tale is among new details that emerged in *Detroit News* interviews with more than a dozen insiders -- automakers as well as government officials -- over the past two months. Source: [The Detroit News](#)

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### **G.M. SEEKS ASSISTANCE FROM EUROPE FOR OPEL**

BERLIN — As executives of General Motors met Monday with European officials to ask for financial help in overhauling its struggling auto operations, Germany reopened a bitter public debate over state aid and job protections that has sharply divided its government. Representatives of Belgium, Britain, Germany, Poland, Spain and Sweden — all countries with G.M. plants — said after the meeting that they had agreed not to negotiate with the company over aid until a meeting Dec. 4, when it will have reviewed G.M.'s revamping plan.

Source: [The New York Times](#)

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### **TOYOTA TO REPLACE GAS PEDALS**

Toyota Motor Corp. said Wednesday it will replace the accelerator pedals on 3.8 million vehicles involved in the company's largest recall ever.

The models involved are:

- 2007 to 2010 model year Camry
- 2005 to 2010 Avalon
- 2004 to 2009 Prius
- 2005 to 2010 Tacoma
- 2007 to 2010 Tundra
- 2007 to 2010 Lexus ES 350

-- 2006 to 2010 Lexus IS 250

-- 2006 to 2010 Lexus IS 350. The company said it will reconfigure the shape of accelerator pedals to cut down on the risk that they may be jammed in the floor mat.

In addition, it will replace original equipment floor mats with redesigned mats.

In addition, Toyota will install a brake override system on the involved Camry, Avalon, and Lexus ES 350, IS 350 and IS 250 models "as an extra measure of confidence." The system will shut off engine power if drivers press the accelerator pedal and brake pedal simultaneously. *Source: Automotive News*

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## **NO FERRARI VIPER**

Despite allusions to cooperation on the Viper with Chrysler's new Italian owners, there will be no Viper Ferrari.

Hey, it was a natural question, especially since Dodge opened that door in a press release on Tuesday about a lap record set by a production Viper ACR at Mazda Raceway Laguna Seca (1:33.915; more on that in a minute).



"When we have partners across the ocean who are known as the best sports-car makers in the world, the future opportunities are huge," Dodge brand chief Ralph Gilles said in a release.

The future opportunities for what--a Ferrari V12 in a Viper body? A Viper V10 in a Frankensteined 612? What? You could go insane imagining the possibilities. So we spoke to Gilles directly and asked whether there would be any cross-engineering or parts-sharing to the extent our overactive imagination imagined there might be. We asked about a Ferrari Dodge Viper. "No," he said in about as definitive a tone as car execs ever get.

Then what did he mean by the "opportunities are huge?" "They really know sports cars. We just want some advice," Gilles said.

But wouldn't a Ferrari Viper be cool, regardless? "Ferrari is Ferrari, Viper is Viper," he said. "Please don't go there."

OK.

We did get these exciting tidbits about the 2010 Dodge Viper: there will be a new graphics package! New stripes! And a new color--Anaconda Green! Also, a new interior for the 2010 Viper will be launched at the Los Angeles auto show.

The 2010 Viper will get a shorter fifth-gear ratio (changing from 0.74 to 0.80) for improved high-

speed acceleration and higher straightaway speeds, which hampered an earlier 2008 "lap record" at the Nürburgring's Nordschleife, where it was found that a revised gear ratio would have resulted in a higher speed capability and potentially a shorter elapsed time. The 2010 Viper also will get a new short-throw shifter, and the rear wing profile and redesigned end plates to allow 4 more mph, topping out at 184 mph.

The latter two improvements sound like Dodge is planning to go back to the Nordschleife to reset its record there.

"That's honestly not a big priority," said Gilles. So, there's your news. Oh, and there was that new lap record. Here's how Dodge worded it:

"Chris Winkler, an SRT vehicle dynamics engineer, piloted a black and red 2010 Dodge Viper SRT10 ACR (American Club Racer) to a lap record of 1:33.915 as recorded by Motech in-vehicle data recorder (1:33.944--as unofficially recorded by trackside clock) around the 2.238-mile, 11-turn (Mazda Raceway Laguna Seca) course, shattering the previous lap record by more than 1.1 seconds." Here's some video from Dodge: Now we're not saying this wasn't a great achievement, even though 1.1 seconds might not constitute "shattering" by some definitions, and the car it "beat" was a Devon GTX, which may or may not share more parts with the Viper than most snakes. And there is the notion of what constitutes "production" and "record." For its part, Mazda Raceway Laguna Seca, when queried, replied with a terse e-mail, which ended with these words:

"The official record remains 1:07.722 set by Helio Castroneves in qualifying for the 2000 race."

Close your eyes and count one-Mississippi, two-Mississippi all the way to 27 to see how far off they were from the real track record. Of course, Castroneves wasn't in a production car but there were, what, four Reynard-Hondas in that race 10 years ago and a total of 19 Reynards of one kind or another on the grid, not counting backup cars? So maybe Reynard could be a production car, too.

Dodge has only made 303 ACR Vipers total for all model years, which is perhaps 302 more than Devon has made GTXs. But if you start down that path, then you just spiral into bickering and debate about "production," "record" and "car," and we just don't want all the nasty e-mails.

It all might have been a clever way for Dodge to distract attention from the fact that it sold only 245 Vipers in the 2009 model year and is trying to figure out how to sell all 500 Vipers planned for the 2010 model year. Dodge will start cranking out those 2010s in the spring, once all the 2009s are gone. Then production will stop in about mid-summer once the 500 2010s have been stamped.

Will there be a Viper after that? "I hope so," said Gilles. "We're investigating that. The Viper nation is screaming at us to do that." *Source: Autoweek.com*

**BEIJING AUTO TO RECONSIDER SAAB AFTER PARTNER EXITS**

Beijing Automotive Industry Holding Co. will “cautiously” reconsider plans to buy a stake in General Motors Co.’s Saab unit after partner Koenigsegg Group AB walked away from a deal, it said in an e-mailed statement today. Beijing Auto was rebuffed by GM in July when it bid for the Detroit-based carmaker’s Ruesselsheim, Germany- based Opel unit. *Source: [Bloomberg](#)*

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**CAR OF THE YEAR – NOW AND THEN**

From *MOTORTREND* magazine here is a comparison of how much has changed in 40 years.

	<b>1960 Chevrolet Corvair</b>	<b>2010 Ford Fusion Hybrid</b>
Layout	Rear engine, RWD	Front engine, FWD
Engine	140 cu-in flat six 80 hp(SAE Gross), 125 lb.ft	153 cu-in (2.5L) I-4, plus electric motor 156 (SAE Net) hp, 136 lb.ft. plus 106 hp, 166lb.ft. (motor)
Transmission	2 speed automatic	CVT
0 to 60 mph	21.2 seconds	8.2 seconds
Quarter mile	22.2 seconds @ 61.3 mph	16.3 @ 89.4 mph
Fuel economy	20.7 miles per gallon	33.3 miles per gallon.

Source: *MOTORTREND*, January 2010

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