

Weekly Car Dealers Newsletter

April 30, 2007

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

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**WHY ARE CROOKS CALLED WISE GUYS, ANYWAY?
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WHY ARE CROOKS CALLED WISE GUYS, ANYWAY? A Connecticut man was arrested after he tried to trade in a Jeep to a car dealer, a month after allegedly stealing the same Jeep from that same dealer, reports the *Stamford Advocate*. The alleged thief, Jazrahel King, was arrested after a sales manager at the dealership recognized Mr. King's 2003 black Jeep Liberty as a vehicle that was stolen from his lot in early March. The sales manager said Mr. King brought the SUV in, hoping to trade up for a larger vehicle. "I was speechless. I couldn't believe he would try to take back another car and he didn't think we would recognize him," the manager said. Mr. King had come to the dealership last month to test-drive some vehicles. But there was a problem with his credit, so salesmen at the dealership scrubbed the test-drives. The sales manager said he last saw Mr. King wandering around the lot as he was preparing the Jeep Liberty for delivery to a customer who had just bought it. The keys were left in the Jeep. Then the Jeep and Mr. King disappeared.

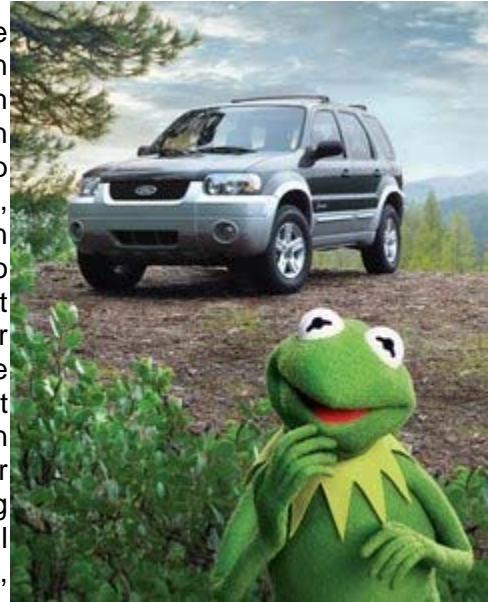
When police inspected the Jeep, they found that the key ring was the same as those issued by the dealership. The temporary plate on the vehicle belonged to the dealership and documents found inside showed it belonged to the dealership.

TOYOTA DOESN'T NEED MANY MORE U.S. DEALERS Toyota Motor Sales USA Inc. does not plan to add many more dealers in the United States, even though the Japanese automaker's U.S. sales continue to grow, Toyota North America President Jim Press said Thursday. The reason: the automaker wants all its dealers to be profitable so they can spend money on customer service and store upgrades. "Our dealers have made massive investments," Press said. "Dealers have got to be able to make a profit or they can't make investments for customer satisfaction." Press also said modern Toyota stores are "giant corporations" - and will get

bigger. He said the Toyota dealership of the future will be more stable, with less employee turnover, and get greater efficiencies from its service department.

DO EARTH DAY RIGHT: DE-TRASH AMERICA

There is little point to arguing about some result of climate change that MIGHT take place and be truly measurable in the next 100 years— or even ten. But as we mark Earth Day, there certainly are some here-and-now things we can do to ease the burdens on the Old Orb. Take scrap vehicles, those junkyard bunnies whose scavenged parts, it should be noted, keep a lot of still serviceable old iron still running. The problem is, too many of them are too remote from junkyards and scrappers, and thus they just sit there making the landscape ugly. Take the Upper Peninsula of Michigan, for instance. The value of the scrapped cars, trucks, farm implements, et al, makes it uneconomical to collect and transport them to scrappers in major urban areas like Milwaukee, Chicago or Detroit. Or take the islands of the beautiful state of Hawaii. Everything on wheels that was ever shipped there appears to be still there. This makes it a small mecca for old car nuts like me, as I have written in the past for TheCarConnection.com.



But along with mountains of discarded cans and bottles (because, unless it's changed in the last few years, Hawaii has no bottle-return law), the abandoned cane fields are also spotted with rusting old hulks of vehicles. There is some salvation in distant sight, however. Here's this, straight off the news release: The United States Council for Automotive Research (USCAR) "is evaluating a process that could potentially divert 250,000 tons of post-consumer shredder residue foams from landfills annually."

The point is that every advance in recycling the last little bit of an "ELV" (end of life vehicle) makes it more likely its value for scrappers will rise and encourage collection. Plus, this process would relieve the bloating of landfills with old, un-bio-degradable foam from automotive trim. Bravo, USCAR, which by the way is composed of DaimlerChrysler, Ford and GM. Leaving cars aside, every state ought to have a can-and-bottle- deposit-and-return law, and the containers covered should be expanded to include everything that our young-and-reckless hurl out car windows or litter around make-out parking places. That would be a start. Then we need to go to work on those who heave old appliances, tires, batteries, plastic bags and milk cartons, foam picnic boxes and the like into the nearest gulch or waterway, creating eyesores for everyone else, forever.

All this is here-and-now. We don't have to argue about whether it is true or not. It's obvious, and it's right in front of our eyes— everywhere, urban, suburban and rural. Earth Day ought to be the time we join hands to de-trash America. — Mike Davis, TheCarConnection.com

TOYOTA WORRIED ABOUT OWN QUALITY Toyota Motor Corp. is on the verge of posting a record operating profit. Even so, the big Japanese carmaker's president says he continues to worry about the quality of the company's products. Katsuaki Watanabe, Toyota president and

the man responsible for the company's day-to-day operations, said he continues to fret about making sure the current products live up to the company's reputation for quality. "Not only product quality but also continuous improvement," he said after a speech in Detroit. Watanabe also told reporters he wasn't interested in making any acquisitions thus ruling out any kind of bid for the Chrysler Group, which DaimlerChrysler has put on the auction block. However, Toyota remains open to various kinds of partnerships, particularly in research and development, he indicated in both in his speech and remarks to reporters. The Toyota President also sidestepped questions about whether the company would overtake General Motors and become the world's leading automaker. "You will never know until all the numbers are in," he said. Watanabe was in Detroit to deliver a speech to the Society of Automotive Engineers World Congress last week, which Toyota chaired for the first time. "Toyota is greatly honored to be selected as the first Asian company to chair the SAE World Congress," he noted during his speech. "Over the past two years, since becoming the president of Toyota, I have, at every opportunity, expressed how great it would be to develop a dream car," which would circle the world on single tank of gas, make the air cleaner, and avoid accidents, he said. "The dream car may seem like a fantasy but right now there are many specific technologies being developed that can contribute to this goal," including automated driving systems, intoxication sensing, and zero-emission engines, he said. "Ultimately competition leads to innovation and development of advanced technology but cooperation by all of us is essential to create a society in which people and transportation vehicle can co-exist in harmony," added Watanabe, who said Toyota wants to share the expertise it developed in engineering a solution to the traffic problems around its headquarters in Toyota City. Cooperation with municipal officials and infrastructure improvements cut the average commute by 19 minutes and reduced CO2 emissions by 17 percent, he said.

The SAE meeting attracted more than 30,000 engineers from as far away as India and China to Detroit to discuss issues ranging from global warming, to the development of new brakes and sensors. During his visit, Watanabe also presided over the groundbreaking of Toyota's newest assembly plant in Mississippi and official start-up of production of Camry production at the Subaru plant in Bloomington, Ind. Watanabe said the partnership with Subaru saved the perhaps three years it would take to build a new plant to meet the demand for Camrys. "We have been searching for other ways to produce more cars locally," Watanabe said. "This SIA line helps answer that challenge."

2008 CHEVROLET HHR SS SPIED! Chevy is still hush-hush on the subject, but these pictures clearly show Chevrolet's upcoming HHR SS. And if you look closely under the one and only little piece of black tape, you can even see the SS badge. This hot HHR is powered by the same 260-horsepower, 2.0-liter turbo Ecotec engine as the Pontiac Solstice GXP. Production will start on the HHR SS in December of 2007, which will give General Motors the flexibility in calling this either a 2008 model, or possibly even a 2009.

Sheetmetal changes aren't anticipated at the time of the SS debut, although the car will have a unique grille, huge air intakes, and SS trim.

FORD SHOWS SIGNS OF TURNAROUND A strong showing by the company's European operations and by the Premier Automotive Group, which posted record profits during the first three months of 2007, helped the Ford Motor Co. narrow its losses during the first quarter. The

positive news from PAG and Ford of Europe, however, masked deeper problems at Ford's operations in North America where operating losses increased by \$172 million and top-line revenue shrank by \$1.6 billion on lower sales. An improvement in the sales mix in North America offset the decline in market share that followed the company's decision to forego fleet sales, Ford officials said. Ford's sales in North America dropped 13 percent for the quarter. Alan Mulally, Ford's chief executive officer, said that while the company still faced serious challenges, it was moving in the right direction. "We still have a long way to go to turn around our business," he said. "But the turnaround of our business is accelerating," he said.

"We are making progress on executing the four priorities of our plan - restructuring the company, accelerating product development, funding our plan, and working effectively as one team," CEO Mulally told analysts. Overall, Ford posted a net loss of \$282 million or 15 cents, which was substantially better than the \$1.4 billion or 76 cents per share lost during the first quarter of 2006. It also was the company's seventh consecutive quarter of losses. The loss was still smaller than expected and Ford's total revenue increased by five percent to \$43 billion.

Without special items, primarily restructuring costs, Ford said it would have lost \$171 million, or 9 cents per share, in the latest quarter compared with an operating profit of \$223 million, or 12 cents per share, a year ago.
