



## ***Weekly Car Dealers Newsletter***

**August 13, 2007**

---

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

# **Week of August 13, 2007**

---

## **[TOYOTA DELAYS NEXT HYBRIDS ON SAFETY CONCERNS](#)**

**BUICK, LEXUS TIE IN AUTO DEPENDABILITY STUDY**

**FORD ROLLS OUT ECO-FRIENDLIER PAINT**

**CAR TRIVIA: AUGUST 9, 2007**

**RUSSIAN AUTOMAKER BUYS 5 PERCENT OF GM**

---

**[TOYOTA DELAYS NEXT HYBRIDS ON SAFETY CONCERNS](#)** Toyota Motor Corp. ... has decided to delay by one to two years the launches of new high-mileage hybrids with lithium-ion battery technology because of potential safety problems. ... such batteries have shown a tendency to overheat, catch fire or even explode. The slowdown could offer General Motors Corp. and other rivals a chance to narrow the gap in the race to define future clean-vehicle technology. Until recently, Toyota was preparing to roll out a dozen new and redesigned hybrids using new lithium-ion battery technology in the U.S. between 2008 and 2010. The rollout -- critical to Toyota's goal of selling 600,000 hybrids a year in the U.S. by early next decade, up from nearly 200,000 last year -- is on hold, according to Toyota executives knowledgeable about the company's hybrid-product plans for the U.S. market. Toyota also postponed plans for hybrid versions of its big and fuel-thirsty Tundra pickup and its Sequoia sport-utility vehicle, though the executives added there is a chance Toyota would revive big-truck hybrids and come out with them by 2013 or 2014.

---

**BUICK, LEXUS TIE IN AUTO DEPENDABILITY STUDY** Buick tied with Lexus as the highest-ranking brand in a closely watched study of vehicle dependability, marking the first time in 12 years that Lexus has shared the top award, J.D. Power and Associates said Thursday. Cadillac, Mercury and Honda rounded out the top five brands in the annual survey, which measures problems experienced by the original owners of three-year-old vehicles. Both Buick and Lexus had 145 problems per 100 vehicles. The worst-performing brand, Land Rover, had 398 problems. The industry average was 216 problems, down from 227 in last year's survey. "People don't have to necessarily spend premium money to get equal value," said Neal Odde, director of product research and analysis for J.D. Power. "That's good news for people." The 2007 survey is based on the responses of 53,000 owners of 2004 model year vehicles. The survey gives all problems equal weight. Odde said the most frequent problem cited is wind

noise, followed by noisy brakes, seat belts that fail to retract, poor ride handling and uneven wear on tires. Oddes said complaints about seats and interiors rose slightly this time around, but in most categories, complaints were down.

In segment breakdowns, Lexus had five winners, including the midsize GS 300 and LS 430 sedan, while Toyota had four, including the Tundra and Tacoma pickups. The most-improved brand in the 2007 survey was Hummer, which improved its score to 242 problems per 100 vehicles from 307 last year. The most-improved vehicles were the Volvo XC90 and Audi A6, which both eliminated 104 problems, Oddes said.

The survey found that 65 percent of owners experienced one or more problems that required components to be replaced. Oddes said owners understand that some parts, such as brake pads, need to be replaced, but if they have to replace expensive items such as transmissions or if they have to replace smaller parts more often than they expect, they will keep their vehicle an average of one year less and will be less likely to consider that brand in the future. Oddes said vehicles with strong dependability numbers can retain up to 15 percent more of their value over three years. That helps consumers selling used vehicles as well as automakers and dealers, which may be able to sell a dependable vehicle two or three times over its lifetime.

J.D. Power's results are watched closely by automakers and are often used in advertising. The firm also releases an initial quality study, which measures problems in the first 90 days of ownership, but the dependability results are important to automakers because the way owners feel about their vehicles after three years can have a big impact on their decision to buy another vehicle of that brand. *(Associated Press)*

---

**FORD ROLLS OUT ECO-FRIENDLIER PAINT** Ford Motor Company today announced that it's testing a new 'eco-friendly' paint technology that reduces overall CO2 output by 15 percent. And with a little luck, or calling around, you might be able to sample it yourself at a neighborhood U-Haul outlet.

About 200 Ford E-Series trucks made at the automaker's Avon Lake, Ohio plant and placed into duty as U-Haul rental vehicles have been painted with the new technology and will be put to use around the country as a way for Ford to test how well the new finish works in a heavy-use pattern. At U-Haul, the vehicles will be distinguished from the rest of the fleet through their "eco-friendly decals," according to a Ford release. The new paint technology employs a high-solids (formulated with polymers), solvent-borne paint applied wet in three applications, with no prime coat. A smaller and cleaner paint shop compared with traditional painting facilities, and there's no need to 'bake' the paint.

Besides reducing CO2 emissions, the new system also cuts volatile organic compounds (VOC) by about ten percent, which gives it an advantage over both common solvent-borne and the water-borne paints being phased in by some companies. The water-borne paints, in general, carry a reputation for being more delicate than solvent-based coats.

"We have high hopes for this technology based on our laboratory testing," said Joe Hinrichs, vice president, North America Manufacturing, at the annual Center for Automotive Research Management Conference in Traverse City, Michigan, where the automaker made its technology announcement. "Once we understand how it performs in the real world, we'll determine how best to apply it to other manufacturing facilities." The new system should also have no problem

getting the green light from the company bean-counters; it's estimated to save more than \$7 per vehicle versus traditional paint methods, according to the company, with the paint process taking about 20 percent less time per vehicle.

---

**CAR TRIVIA: AUGUST 9, 2007**

1. What was Lincoln 's first front-wheel drive model?
  2. Name the talk-show host who is co-owner of a CART racing team.
  3. This 1966 movie starred Frankie Avalon, Fabian and Annette Funicello in a story about racing and moonshine.
  4. Name the 1954 sports car that had a fiberglass body incorporating sliding doors.
  5. In what year was Peter Fonda's motorcycle-odyssey movie *Easy Rider* released?
  6. When did Ford's F-Series pickup have its 50th birthday?
  7. This model name was used on cars made by Dodge, Ferrari and Studebaker.
  8. What was the fastest and most powerful 1957 Chrysler model?
  9. Name the actors who portrayed motorcycle cops Jon and Ponch in the *CHiPs* TV series.
  10. What model did the Volkswagen Eurovan replace?
- 

**RUSSIAN AUTOMAKER BUYS 5 PERCENT OF GM**

Five percent may not sound like much, but the investment made by Russian billionaire Oleg Deripaska confirms that his car manufacturer GAZ will not buy Jaguar and Land Rover.

With that share in GM estimated to be worth almost \$900 million, it's the Russian company's first big move into the global manufacturing market.

Currently automaker GAZ produces cheap cars for the masses, but it plans to alter that image by producing more premium models.



As well as the new share in GM, GAZ's other interests include the intellectual and tooling rights

to the pre-2006 generation Chrysler Sebring, and a \$1.4 billion stake in Canadian [auto](#) firm Magna.

---

Answers:

1. 1988 Continental
  2. David Letterman
  3. *Fireball 500*
  4. Kaiser-Darrin
  5. 1969
  6. 1998
  7. Daytona
  8. 300 C
  9. Larry Wilcox & Erik Estrada
  10. Vanagon
-