



Weekly Car Dealers Newsletter

April 13, 2009

This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources. For more information please call our Edmonton office.

Week of April 13, 2009

2009 AUTOMOTIVE CFO AND DEALER MEETING
FORD MOTOR CUTS ITS AUTOMOTIVE DEBT BY \$9.9 BILLION
GM BONDHOLDERS 'MISGUIDED' ON BANKRUPTCY, LEVIN SAYS
WHITE HOUSE PRESSES PLAN ON CAR SWAPS
MORE: CASH FOR CLUNKERS
U.S. SQUEEZES AUTO CREDITORS
CHRYSLER (US) ENDS WHOLESALE INCENTIVE FOR DEALERS
TOYOTA PLANS A MAJOR OVERHAUL IN U.S.

2009 AUTOMOTIVE CFO AND DEALER MEETING

This year's meeting will be held the week of June 22nd. The final arrangements are just being made with a couple of outside presenters and we expect final details to be announced next week. At that time the full details will be released. The meeting will be held in our renovated offices using our own meeting and training room. Hotels are next door.

FORD MOTOR CUTS ITS AUTOMOTIVE DEBT BY \$9.9 BILLION

The debt reduction, which Ford estimates will reduce its annual cash interest expense by more than \$500 million, is the latest evidence that Ford is moving ahead of its domestic rivals General Motors and Chrysler in revamping to survive the weakest United States auto sales in three decades. Ford, the only American automaker that has not sought emergency federal loans, is using \$2.4 billion in cash and 468 million shares of its common stock to reduce its outstanding automotive debt by \$9.9 billion, from \$25.8 billion at the end of 2008. - Source: [Reuters](#)

GM BONDHOLDERS 'MISGUIDED' ON BANKRUPTCY, LEVIN SAYS

General Motors Corp. bondholders have been holding back from talks on the company's restructuring and are "terribly misguided" if they think they will get a better deal through a bankruptcy filing, U.S. Rep. Sander Levin said. "Bankruptcy would wipe them out," Levin, a Michigan Democrat, said [Monday] in an interview on Bloomberg Television. Bondholders are "holding back" on the assumption that bankruptcy would be better for them, while "labor is back at the table, making concessions," Levin said. - Source: [Bloomberg](#)

WHITE HOUSE PRESSES PLAN ON CAR SWAPS

WASHINGTON -- The White House is pressing lawmakers to move ahead with a "cash for clunkers" program ... Meetings with Senate and House Democrats Monday provided more details and signaled the president's commitment to pushing forward. The White House is proposing a compromise that would provide a voucher to anyone who buys a car with better mileage. But the amount of the voucher would increase the more mileage is being improved. Source: - [The Wall Street Journal](#)

MORE: CASH FOR CLUNKERS

President Obama's rescue plan for the automotive industry has given the presidential seal of approval to a little-noticed movement in Congress to clear the roads of gas-guzzling clunkers and replace them with more fuel-efficient cars. It's an excellent idea, with clear benefits for the environment ... But there's a right and wrong way to do it. The right way is embodied in a bipartisan bill sponsored in the Senate by, among others, Charles Schumer ... with a companion bill in the House whose main sponsors include Steve Israel ... The Schumer-Israel approach would provide vouchers worth up to \$4,000 to drivers who turn in an older car that gets 18 miles per gallon or worse and buys a new or used car that exceeds the corporate average fuel economy for vehicles in its class by 25 percent. - Source: [The New York Times](#)

U.S. SQUEEZES AUTO CREDITORS

Treasury Seeks Billions in Concessions for GM and Chrysler From Banks, Bondholders
The federal government is taking an increasingly hard line with the creditors of General Motors Corp. and Chrysler LLC ... The Treasury Department is pushing GM to offer its bondholders, who are owed \$29 billion, a small portion of shares in the company. At Chrysler, the U.S. wants banks and investors who control its bank debt to give up about 85% of the nearly \$7 billion they are owed. - Source: [The Wall Street Journal](#)

CHRYSLER (US) ENDS WHOLESALE INCENTIVE FOR DEALERS

NEW YORK -- Chrysler LLC will stop giving dealers cash for meeting targets for wholesale vehicle orders -- at least for May. "We don't like paying for wholesale," [Steven Landry, executive vice president of North American sales] said in an interview Wednesday at the New York auto show. "We're going to try to get May orders without a wholesale program." Landry said Chrysler is cutting back on the number of vehicles it will ask dealers to buy for May to a target that is 10,000 units less than the company's own monthly sales projections.- *Source: [Automotive News](#)*

TOYOTA PLANS A MAJOR OVERHAUL IN U.S.

Toyota Motor Corp. is expected to announce as early as April 13th a major overhaul of its U.S. operations, bringing engineering, manufacturing and sales under a single executive ... Yoshi Inaba, a former senior Toyota executive who left the auto maker in 2007, was formally asked by Toyota this week to oversee most of the key aspects of the U.S. business. "Toyota is having a lot of the same performance issues as GM, Ford and Chrysler," said Rebecca Lindland, an automotive analyst at IHS Global Insight. "It's not entirely surprising that you will have some scapegoats and some restructuring going on." - *Source: [The Wall Street Journal](#)*
