

# Most U.S. Automakers Enjoy Strong Monthly Sales

By TOM KRISHER  
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AP Auto Writers

DETROIT (AP) — Ford Motor, General Motors and Chrysler all reported double-digit sales increases for November as the auto industry's slow-motion recovery continued to gain traction.

Ford Motor Co. reported the largest increase of the Detroit Three on Wednesday — up 20 percent from November of last year. GM sales rose 11 percent and Chrysler showed a 17 percent increase.

Industry analysts say the numbers, combined with a strong October, show that consumers who have kept their jobs through the economic downturn are now feeling confident enough to spend money and replace older vehicles.

General Motors Co. said it sold just under 169,000 vehicles in November compared with 151,000 in the same month last year. Much of the growth was driven by crossover vehicles such as the Chevrolet Equinox and Cadillac SRX, which are like sport utility vehicles but are more efficient because they are built on car underpinnings.

Ford's numbers were fueled by truck sales that went up 34 percent. The company sold just over 147,000 vehicles in November compared with 123,000 last year. The year-ago result includes figures for Volvo, which Ford sold earlier this year. Sales of the Fusion

midsize sedan were up 28 percent, and Ford said it already has set a full-year sales record for the car.

Chrysler Group LLC reported its eighth-straight month of year-over-year sales increases, driven largely by the Jeep and Ram brands. The company said it sold just over 74,000 cars and trucks last month, up from almost 64,000 in November of last year, a month that froze consumers because of high unemployment.

The newly redesigned Jeep Grand Cherokee continued to sell well, more than tripling from November of last year.

At GM, Equinox sales were up more than 60 percent, while SRX sales rose nearly 36 percent. GM also saw more modest increases in passenger car and pickup truck sales. The Chevrolet Silverado pickup, traditionally GM's top-seller, saw an increase of 16 percent.

Sales of GM's four brands — Chevrolet, Buick, GMC and Cadillac — rose 21 percent compared with the same brands last November. GM got rid of Pontiac, Saturn, Hummer and Saab as part of its bankruptcy restructuring. Buick led all GM brands with a 36 percent sales jump.

Yingzi Su, GM's senior economist, said the stable and increasing auto sales mean that consumers with jobs are starting to spend again, and that's a good sign for the broader economic recovery.

Once businesses see increased consumer spending,

they will be more willing to hire workers, a factor that has held back the economic recovery for months.

GM reported increased showroom traffic toward the end of the month, after its initial public stock offering on Nov. 18. The U.S. government, which spent \$49.5 billion bailing GM out of its financial troubles last year, cut its stake in the company from 61 percent to about 33 percent by selling stock in the IPO. GM has maintained that government ownership has hurt its image with consumers and its sales.

Subaru of America also reported a big sales increase for November, up 22 percent as sales of most of its models grew.

Industry analysts J.D. Power and Associates are predicting that November U.S. sales overall will rise about 15 percent, while consumer website Edmunds.com predicted sales will increase 17 percent compared with November 2009.

The increased sales likely are due to a combination of rising confidence and pent-up demand as people replace vehicles they have kept for longer than normal during a severe auto industry downturn, said Bruce Clark, senior vice president of Moody's Investors Service.

"There is a degree of pent-up demand that's being met gradually by people who have kept jobs and can go out and afford to do such things," Clark said. The sales are not as robust as historic highs

from the early 2000s, but they are still a good sign for the industry, Clark said.

"It makes sense to me that we should have some modest growth of the type that we're talking about right now," he said.

Moody's is predicting U.S. sales this year of 11.5 million cars and trucks, rising to around 13 million next year, still far short of the 2000 peak of 17 million. Sales so far this year are running at an annual rate that matches the Moody's prediction. That's less than the 12.5 million vehicles that are typically scrapped each year. Eventually, that means auto sales will have to increase as people replace their older cars, Clark said.

"I see an upward trajectory with less volatility than we've had over the last several months," Clark said.

Americans' confidence in the economy has been on the rise. The Conference Board, a private research group based in New York, said Tuesday that its Consumer Confidence Index rose to a five-month high in November. Consumer spending also was up. The confidence report came in the shadow of high unemployment and declining home values.

Although the Labor Department still shows up to 15 million viable adults in the U.S. as still unemployed, there are other indications that 2011 can and probably should pass this year in terms of total calendar yearly sales.

# Toyota Sues 'Old GM' Over NUMMI Losses

By YURI KAGEYAMA  
AP Business Writer

TOKYO (AP) — Toyota is suing the company handling bankrupt General Motors' assets, demanding \$73 million in damages from the shuttering of a joint-venture California plant.

Toyota Motor Corp. spokesman Paul Nolasco said Wednesday the lawsuit was filed Nov. 24 for research and development costs that weren't recouped because of the shuttering of New United Motor Manufacturing Inc., or NUMMI, plant in Fremont, California.

The lawsuit, filed in U.S. Bankruptcy Court Southern District of New York, targets so-called "old GM," or Motors Liquidation Co., which is separate from General Motors Co., the Detroit-based automaker that is recovering after a U.S. government bailout.

Separately, NUMMI is demanding \$360 million from Motors Liquidation Co. for costs related to investments in the plant that weren't recovered.

Nolasco said talks had been going on among NUMMI, Toyota and the old GM for about a year, but were never resolved. Toyota feels the departure of GM from the joint venture unfairly left Toyota to sort out what was left, he said.

NUMMI was a 50-50 joint venture between Toyota and

General Motors, which began in 1984, and was heralded in its heyday as a new partnership that crossed borders, allowing both sides to learn from each other.

After General Motors pulled out, Toyota stopped production at NUMMI in April.

Since then, Toyota has forged a new relationship with U.S. luxury electric-car maker Tesla Motors Inc.

Tesla has set up a factory at the NUMMI site for the next-generation electric sedan in partnership with Toyota. Model S sedan production is expected to start 2012, and the plant has already begun hiring.

In November, General Motors pulled off an IPO worth \$15.8 billion, signaling the revival of an American icon that collapsed into bankruptcy protection and was rescued with a \$50 billion bailout from U.S. taxpayers.

Toyota, which makes the Prius hybrid and Lexus luxury models, dethroned General Motors as the world's biggest automaker in 2008.

Since last year, it has suffered a serious image problem because of massive recalls around the world, and faces hundreds of lawsuits of its own in the U.S. related to accidents suspected of being linked to quality lapses.

Until GM pulled out of NUMMI, it was actually the last Big Three-related assembly plant in all of California.



PHOTO: STEFANIE CARANO

Former GM executive Arv Mueller, left, accepts the Edward Cole Award for Automotive Engineering from the Detroit Section of the Society of Automotive Engineers.

## Arv Mueller Receives SAE's 2010 Edward Cole Award

By Stefanie Carano  
Staff Reporter

Recognized for his outstanding leadership and engineering innovation, former General Motors executive Arv Mueller was the chosen recipient of the 2010 Edward Cole Award in Automotive Engineering by the Detroit Section of the Society of Automotive Engineers.

The award is given to those whose lifetime accomplishments is said to have led to significant achievement in automotive engineering. It is named after former GM CEO Edward Cole.

"Arv is really one of the finest people I've known through the years and I would say that applies to the auto industry, I would say that applies to people that I've met throughout my lifetime," said Dave Cole, chairman emeritus of the Center for Automotive Research and presenter of the award.

"He's a terrific engineer, there's no question about that. He's a leader that had, what I think, is one of the most exemplary characteristics of a really good leader and that is he leads like a coach rather than a king."

Mueller said he was honored to receive the award and talked about his experiences working with Cole's father, Edward Cole, that influenced how he executed himself at GM.

"What he did inspired people," Mueller said. "And, you know it didn't really have to do with emotive articulations or passionate metaphors and all that stuff that you think about when you think about inspiration. It had more to do with getting people past their fear of failure, being determined to do things, taking personal responsibility for getting things done and leading people through that process."

During his time at GM, Mueller worked on the Corvair, unleaded fuel, catalytic converters and other technologies.

He began his career at GM in 1960 and for 15 years worked in experimental and developmental engineering. From 1975 to '78, he was assistant staff engineer for Chevrolet and was promoted to staff engineer for chassis components in 1979.

In 1984, he was appointed chief engineer and in 1986 product team manager for the former Buick-Oldsmobile-Cadillac Group Powertrain Product Team.

In 1988, he became GM vice president of the former Advanced Engineering Staff. He was named vice president and general manager of the Midsize Automotive Division in

1991. The very next year, he was appointed vice president and group executive of the Vehicle Development and Technical. Finally, he became group vice president for GM Powertrain in 1997 before retiring in 2001.

"I remember a number of years ago talking to a very senior GM executive about Arv and he said, 'You know, why did we discover Arv so late?'" Cole said.

"He had a meteoric rise at General Motors but he was in the lab, he was working on engines, he was a hands-on

guy . . . and one of the things that Arv has said is that 'I was really happy with what I was doing. I wasn't thinking about my next job, I was thinking about doing the job that I had well.'"

"And, I think what that illustrates," said Cole, "is that sometimes it's important to look throughout an organization to find those people that are really good at executing the job that they're doing and they're not necessarily planning to take your job and I don't think Arv ever, ever was."

Ed Cole, the award's namesake, was actually on the cover of Time magazine in 1959 when he was at Chevrolet for all of the innovative engineering work he was doing at that time.

David Cole has carved out a reputation of his own at the University of Michigan earlier in his career and at CAR of late, such that, many in the auto industry are not aware that his father was CEO of General Motors for a time.

But Arv Mueller knows, and that's what matters most in today's auto world.

## U.S. Factory Output Grows for 16th Straight Month in November

By CHRISTOPHER S.  
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AP Economics Writer

WASHINGTON (AP) — U.S. factory output grew for the 16th straight month in November as consumers and businesses spent more on autos, computers and other goods.

The Institute for Supply Management said Wednesday its index of manufacturing activity was barely changed in November, dipping to 56.6 from 56.9 in October. Any reading above 50 indicates growth.

Automakers are driving the growth in manufacturing, and America's two biggest car companies reported healthy sales gains for last month. Sales rose 20 percent at Ford Motor Co. and 11 percent at General Motors in November.

Manufacturing has been one of the strongest sectors of the economy since the recession ended. After slowing over the summer, factories have picked up in recent months as auto sales have grown and businesses are investing in industrial machinery and other equipment.

"American factories are catching a second wind as consumers start to flex their wallets," Sal Guatieri, an economist at BMO Capital Markets, said.

Stocks surged prior to the report's release and held their gains afterward. The Dow Jones industrial average rose more than 190 points in midday trading. Broader indexes also rose.

Investors were mostly responding to strong manufacturing data out of China and a report showing that small U.S. companies are hiring more workers.

ADP Employer Services said employment at private companies jumped by 93,000

in November as small businesses added the largest amount of workers in three years. Meanwhile, a survey affiliated with the Chinese government said its measure rose to 55.2 in November from 54.7 in October.

Separately, the Commerce Department said construction spending in October for the second straight month. The growth was mostly due to a 6.2 percent jump on spending for home improvements. Spending on new home construction fell.

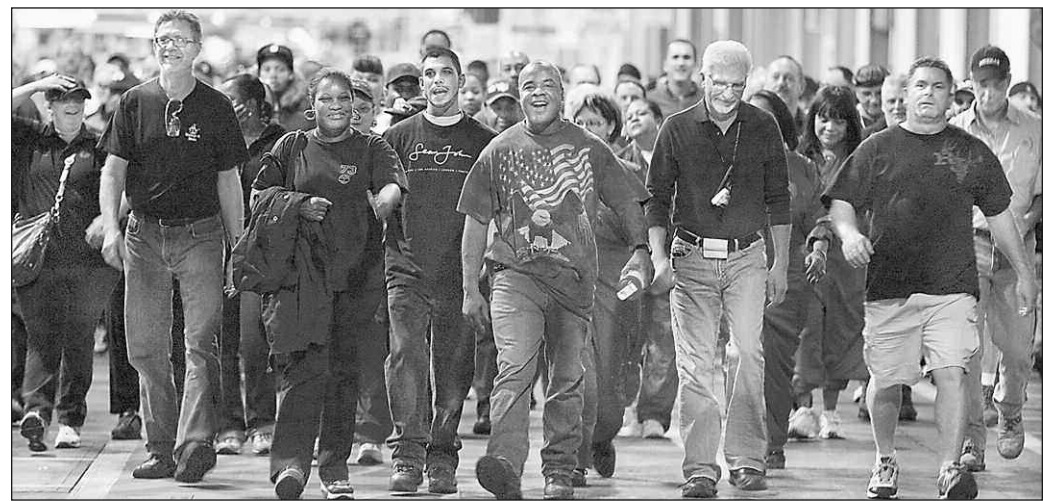
Last week's ISM reading is the second-highest in the past six months. The index rose to 60.4 in April, the highest level since June 2004. The index had bottomed out at 32.5 in December 2008, the lowest since June 1980.

Daryl Dulaney, CEO of Siemens Industry Inc., said his company is seeing strong demand for industrial equipment from automakers, railroad companies, and renewable energy firms. Siemens just received a \$466 million order for 70 electric locomotives from Amtrak, he said.

Auto companies are also ordering industrial automation equipment to boost their productivity, Dulaney said.

The ISM report showed that new orders and production also grew, but at a slower pace. Production fell steeply, to 55 from 62.7. The employment index also ticked down, to 57.5 from 57.7. That's the 12th straight month of growth in factory employment.

Exports, meanwhile, are benefiting from a cheaper dollar. The export index grew, but not as quickly as in October, the ISM said. "Manufacturing continues to benefit from the recovery in autos, but those industries reliant upon housing continue to struggle," said Norbert Ore, chairman of the ISM.



Employees from UAW Local 22 participated in the Volt launch ceremony last week, when regular production stopped at GM Hamtramck to welcome the first two Volts off the production line.

## GM Execs, UAW Workers Celebrate First Volt Off the Hamtramck Line

By Gerald Scott  
Staff Reporter

Any number of senior GM and Chevrolet executives attended the "Volt launch" event at the GM Hamtramck Assembly plant last week, but they were outnumbered and perhaps even "out-enthused" by the workers themselves, of course.

The whole plant came to a halt for the morning event, which celebrated the launch of the first series of production Volts for the marketplace.

Volt No. 1 will be sent to the GM Heritage Center in Sterling Heights while Volt No. 2 will be auctioned off to benefit the educational charity of the Detroit Public Schools Foundation.

UAW Local 22, which represents the plant workforce, was visible all the way through the ceremony. Not only did UAW-GM plant rep Frank Moultrie and UAW Assistant Director Garry Bernath make formal remarks at the podium, the workforce itself made some informal remarks of their own along the lines of shouts of "Deuce-deuce!"

Deuce-deuce, as you might figure, is plant code for UAW Local 22 and kind of password

to be part of the workforce.

Sitting directly behind the rows and rows of media members attending were plant workers Kurt Kahnt (apprentice chairman), Mitch Seaton (Volt trainer) and Carmen Seaton (toolmaker). The Seaton's are a married couple who work at the plant.

Carmen has worked at GM Hamtramck for 13 years and Mitch has worked there for 13 of his 28 overall years at General Motors. "This is exciting," Carmen proclaimed, as the event was televised not only by various national news media outlets, but also by GM so that other facilities across the company could share in the joy.

Meanwhile, Local UAW 22 plant representative Moultrie had kind words across the board, "We would like to pay tribute, first of all, to all the men and women who are here today, without whom this celebration . . . would not be possible."

"For the (GM) vehicle design teams, thank you for the hard work — engineering and designing what many consider to be a technological marvel (in the Volt). Thank you to all of our skilled trades, production workers, for making the painful sacrifices that al-

low us to participate here today at Detroit-Hamtramck.

"Our skilled trades worked so tirelessly to help get this place ready to run production, our brothers and sisters at the Grand Blanc Weld Tool Center for their hard work in providing a great deal of our tooling."

"Thank you to Local 160, our brothers and sisters there, at the Warren Technical Center, for welcoming our members during PPO (pre-production) builds . . . they helped us overcome some of our assembly issues before our pilot builds."

So the thank-yous continued to the various UAW-GM facilities, shops and offices that all had a hand in bringing the Volt to life, so to speak. The UAW-GM workers' voices were heard loudly at the plant ceremony — most went back to work later that day with cries of "Deuce-deuce!" merrily ringing in their ears.

Since 2006, the GM Hamtramck Assembly plant has produced the Buick Lucerne and Cadillac DTS.

Now it has officially added the Chevrolet Volt to its production lineup. Dealers are expected to receive the first such Volt cars in January for sale to real customers.