



General Motors

General Motors



Type	Public (Pink Sheets: GMGMQ) (OTCBB: GMGMQ) (as of 2 June 2009)
Founded	1908
Headquarters	Renaissance Center Detroit, Michigan, United States
Area served	Worldwide
Key people	Fritz Henderson (CEO) Kent Kresa, (Chairman) Robert Lutz, (Vice Chairman) Ray Young, (CFO) Ed Welburn, (VP Global Design)
Industry	Automotive
Products	Automobiles Engines
Services	Financial services
Revenue	▼ US\$ 148.979 billion (2008)

Operating income	▲ US\$ 21.284 billion (2008)
Net income	▼ US\$ -30.9 billion (2008)
Total assets	▼ US\$ 91.047 billion (2008)
Total equity	▼ US\$ -86.154 billion (2008)
Employees	243,000 (2008)
Divisions	General Motors Canada General Motors Europe General Motors do Brasil
Subsidiaries	Buick, Cadillac, Chevrolet, GM Daewoo, GMC, Holden, Hummer, Pontiac, Saab, Saturn, Opel, Vauxhall Motors and Wuling
Website	GM.com

As of June 1, 2009, reorganizing and operating under protection of Chapter 11 bankruptcy proceedings

General Motors Corporation (GM) (Pink Sheets: GMGMQ) / (OTCBB: GMGMQ) is a U.S. automaker based in Detroit, Michigan and is the world's second-largest automaker, as ranked by global unit sales for 2008. The company is continuing its operations while in bankruptcy proceedings before a U.S. federal bankruptcy court.

GM was the global sales leader for 77 consecutive calendar years from 1931 to 2007. It manufactures cars and trucks in 34 countries. GM employs 244,500 people around the world, and sells and services vehicles in some 140 countries. In 2008, 8.35 million GM cars and trucks were sold globally under the brands Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Opel, Vauxhall, Holden, Pontiac, Saab, Saturn and Wuling.

In late 2008 GM, along with Chrysler, received loans from the American, Canadian, and Ontario governments to avoid bankruptcy resulting from the late-2000s recession, record oil prices, health care and retiree expenses, and heavy competition (see also automotive industry crisis of 2008–2009). On February 20, 2009, GM's Saab division filed for reorganization in a Swedish court after being denied loans from the Swedish government. On April 27, 2009, amid ongoing financial problems and restructuring efforts, GM announced that it would phase out the Pontiac brand by the end of 2010 and focus on four brands in North

America: Chevrolet, Cadillac, Buick, and GMC. It also announced that the resolution (sale) of its Hummer, Saab, and Saturn brands would take place by the end of 2009. GM had previously eliminated the Oldsmobile brand earlier in the decade for similar reasons.

As of April 24, 2009, GM has received US\$15.4 billion in loans from the US Treasury Department under the Troubled Assets Relief Program (TARP). GMAC, a financing company held 49% by GM, has received US\$5 billion in loans under the same program, while GM has received an additional US\$1 billion loan to buy more equity in GMAC. General Motors Canada, 100% owned by GM, has received a combined loan commitment of C\$3 billion from the Canadian and Ontario governments.

General Motors filed for a government-assisted Chapter 11 bankruptcy protection on June 1, 2009, in the federal court in Manhattan, New York, with a plan to re-emerge as a smaller and less debt-burdened organization in several months. As ranked by total assets, the bankruptcy is the fourth-largest in U.S. history, following Lehman Brothers Holdings Inc., Washington Mutual and WorldCom Inc.

History

General Motors (GM) was founded on September 27, 1908, in Flint, Michigan, as a holding company for Buick, then controlled by William C. Durant. It acquired Oldsmobile later that year. In 1909, Durant brought in Cadillac, Elmore, Oakland (later known as Pontiac) and several others. Also in 1909, General Motors acquired the Reliance Motor Truck Company of Owosso, Michigan, and the Rapid Motor Vehicle Company of Pontiac, Michigan, the predecessors of GMC Truck. Durant lost control of GM in 1910 to a bankers' trust, because of the large amount of debt taken on in its acquisitions coupled with a collapse in new vehicle sales. A few years later, Durant started the Chevrolet Motor car company and through this he secretly purchased a controlling interest in GM. Durant took back control of the company after one of the most dramatic proxy wars in American business history. Shortly after, he again lost control, this time for good, after the new vehicle market collapsed. Alfred Sloan was picked to take charge of the corporation and led it to its post war global dominance. This unprecedented growth of GM would last into the early 1980s when it employed 349,000 workers and 150 assembly plants.

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General Motors filed for a government-assisted Chapter 11 bankruptcy protection on June 1, 2009, with a plan to re-emerge as a smaller and less debt-burdened organization in several months. The chapter 11 petition was filed in the federal court in Manhattan, New York. The filing reported US\$82.29 billion in assets and US\$172.81 billion in debt. As ranked by total assets, the bankruptcy is the fourth-largest in U.S. history, following Lehman Brothers Holdings Inc., Washington Mutual and WorldCom Inc.

Company overview

General Motors currently employs approximately 266,000 people around the world. General Motor's global headquarters is the Renaissance Center located in Detroit, Michigan, United States. In 2007, 9.35 million GM cars and trucks were produced in 19 different countries. GM is the majority shareholder in GM Daewoo Auto & Technology Co. of South Korea and has had many collaborations with the world's various automakers. This includes product, powertrain and purchasing collaborations with Suzuki Motor Corp. and Isuzu Motors Ltd. of Japan, advanced technology collaborations with Toyota Corporation and BMW AG of Germany and vehicle manufacturing ventures with several of the world's automakers including Toyota, Suzuki, Shanghai Automotive Industry Corporation. of China, AvtoVAZ of Russia, Renault SA of France, and most recently, UzAvtosanoa of Uzbekistan. GM also had collaborations with Fiat S.p.A (see GM/Fiat Premium platform) and Ford Motor Company. To this day, GM retains various stakes in many different automakers.

According to at least one automotive columnist, as GM seeks aid from European governments in 2009 while acknowledging it has no alternative plan, and admits it is willing to surrender control of its operations in Europe to enable an infusion of cash, the "de facto deglobalization" of GM is in progress.

The domain name gm.com attracted at least 7 million visitors annually by 2008.

Corporate governance

Current members of the board of Directors of General Motors are: Percy Barnevik, Erskine Bowles, John Bryan, Melissa Armando Codina, Erroll Davis, George Fisher, Mark Guildenstern, Karen Katen, Kent Kresa, Philip Laskawy, Kathryn V. Marinello, and Eckhard Pfeiffer.

Structure

General Motors is structured into the following operating groups:

Group	Number of Employees as of September 2008
GMAP (GM Asia-Pacific)	35,000
GME (GM Europe)	56,000
GM LAAM (GM Latin America, Africa and the Middle East)	36,000
GMNA (GM North America)	123,000
GMAC (GM Acceptance Corporation – finance and insurance services)	
SPO (Service, Parts and Operations)	
Other operations	2,000
Total number of employees	252,000

Human resources

Together with the United Auto Workers, GM created a joint venture dedicated to the quality of life needs of employees in 1985. The UAW-GM Center for human resources in Detroit is dedicated to providing GM salaried employees and GM UAW members programs and services related to medical care, diversity issues, education, training and tuition assistance, as well as programs related to work and family concerns, in addition to the traditional union-employer health and safety partnership.

History in the United States

At one time, each of GM's automotive divisions in the United States were targeted to specific market segments and despite some shared components, each distinguished itself from its stablemates with unique styling and technology. The shared components and common corporate management created substantial economies of scale, while the distinctions between the divisions created (in the words of GM President Alfred P. Sloan) a "ladder of success", with an entry-level buyer starting out with a "basic transportation" Chevrolet, rising through Pontiac, Oldsmobile, Buick and ultimately to Cadillac.

The postwar automobile industry became enamoured with the concept of "planned obsolescence", implemented by both technical and styling innovations with a typical 3-year product cycle. In this cycle, a new basic body shell is introduced and then modified for the next two years with minor styling changes. GM, Ford, and Chrysler competed vigorously in this new restyling environment.

Distinguishing the brands

By 1958, the divisional distinctions within GM began to blur with the availability of high-performance engines in Chevrolets and Pontiacs. The introduction of higher trim models such as the Chevrolet Impala and Pontiac Bonneville priced in line with some Oldsmobile and Buick offerings was also confusing to consumers. By the time Pontiac, Oldsmobile and Buick introduced similarly styled and priced compact models in 1961, the old "step-up" structure between the divisions was nearly over.

Compacts and muscle cars arrive

The decade of the 1960s saw the creation of compact and intermediate classes. The Chevrolet Corvair was a flat 6-cylinder (air cooled) answer to the Volkswagen Beetle, the Chevy II was created to match Ford's conventional Falcon, after sales of the Corvair failed to match its Ford rival, and the Chevrolet Camaro/Pontiac Firebird was GM's counter measure to the Ford Mustang. Among intermediates, the Oldsmobile Cutlass nameplate became so popular during the 1970s that Oldsmobile applied the Cutlass name to most of its products in the 1980s. By the mid 1960s, most of GM's vehicles were built on a few common platforms and in the 1970s GM began to use nearly identical body panel stampings, differing only in internal and external trim items.

The 1971 Chevrolet Vega was GM's launch into the new subcompact class to compete against the import's increasing market share. Problems associated with its innovative aluminum engine led to the model's discontinuation after seven model years in 1977. During the late 1970s, GM would initiate a wave of downsizing starting with the Chevrolet Caprice which was reborn into what was the size of the Chevrolet Chevelle, the Malibu would be the size of the Nova, and the Nova was replaced by the troubled front-wheel drive Chevrolet Citation. In 1976, Chevrolet came out with the rear-wheel drive sub compact Chevette.

The electric car

In 1990, GM debuted the revolutionary "Impact" concept car at the Los Angeles Auto Show. It was the first car with zero-emissions marketed in the US in over three decades. The Impact was eventually produced as the EV1 for the 1996 model year. It was available through dealers located in only a few regions (e.g., California, Arizona, Georgia). Vehicles were leased, rather than sold, to individuals. In 2003 GM decided to cease production of the vehicles. All EV1's were either destroyed or donated to museums or universities.

GM in the 21st century

In the late 1990s, the U.S. economy was on the rise and GM and Ford gained market share producing enormous profits primarily from the sale of light trucks and sport-utility vehicles. From 2000 to 2001, the Federal Reserve in a move to quell the stock market, made twelve successive interest rate increases. Following the September 11, 2001 attacks, a severe stock market decline caused a pension and benefit fund underfunding crisis. GM began its Keep America Rolling campaign, which boosted sales, and other auto makers were forced to follow suit. The U.S. automakers saw sales increase to leverage costs as gross margins deteriorated. Although retiree health care costs remain a significant issue, General Motors' investment strategy has generated a \$17.1 billion surplus in 2007 in its \$101 billion U.S. pension fund portfolio, a \$35 billion reversal from its \$17.8 billion of underfunding.

In 2004, GM redirected resources from the development of new sedans to an accelerated refurbishment of their light trucks and SUVs for introduction as 2007 models in early 2006. Shortly after this decision, fuel prices increased by over 50% and this in turn affected both the trade-in value of used vehicles and the perceived desirability of new offerings in these market segments. The current marketing plan is to tout these revised vehicles extensively as offering the best fuel economy in their class (of vehicle). GM claims its hybrid trucks will have gas-mileage improvements of 25%.

In the middle of 2005, GM announced that its corporate chrome emblem "Mark of Excellence" will begin appearing on all recently introduced and all-new 2006 model vehicles produced and sold in North America. The move is seen as an attempt by GM to link its name and vehicle brands more closely.

In 2005, GM promoted sales through an employee discount to all buyers. Marketed as the lowest possible price, GM cleared an inventory buildup of 2005 models to make way for its 2006 lineup. While the promotion was a temporary shot in the arm for sales, it did not help the company's bottom line. GM has since changed its marketing strategy to a no haggle sticker policy in which all vehicle prices are lowered, but incentives are reduced, if not eliminated.

Decline of SUV sales

In 2008, rapidly rising gas prices resulted in a 30% drop-off of sales of SUVs. These had been GM's most profitable product, often returning profits of \$10,000 to \$15,000 per vehicle. Sales of SUVs had been decreasing since 2004, and in May 2008, a \$2 billion investment program for a new SUV platform, the CXX program, was canceled. During the first 6 months of 2008, GM lost \$18.8 billion; by late October, its stock had dropped 76%, and it was considering a merger with Chrysler. In only 12 months (October 2007-2008), GM sales in the US dropped 45 percent. GM's concentration on SUVs as a profit center dated from the 1990s.

On Tuesday, December 23, 2008, the Janesville, Wisconsin plant, which produced the Chevrolet Tahoe, the Suburban, and the GMC Yukon, and the Moraine, Ohio plant which produced the Chevrolet Blazer and the GMC Envoy, closed permanently. This left General Motors with only one factory (in Arlington, Texas) producing SUVs.

GM's success in China

General Motors is the best selling foreign auto maker in China. The Buick brand is especially strong, led by the Buick Excelle subcompact. Cadillac initiated sales in China in 2004, starting with imports from the United States. GM pushed the marketing of the Chevrolet brand in China in 2005 as well, moving the former Buick Sail to that marque. The company manufactures most of its China-market vehicles locally, through its Shanghai GM joint venture. Shanghai GM, a joint venture between the Chinese company SAIC and General Motors, was created on March 25, 1997. The Shanghai GM plant was opened December 15, 1998, when the first Chinese-built Buick came off the assembly line. The SAIC-GM-Wuling Automobile joint-venture is also successful selling trucks and vans under the Wuling marque (34% belongs to GM).

GM plans to create a research facility in Shanghai for \$250m to develop hybrid cars and alternative energy vehicles.

Timeline of 2008/2009 decline

- October 10, 2008: GM considered exchanging its remaining 49% stake in GMAC to Cerberus Capital Management for Chrysler LLC, potentially merging two of Detroit's "Big Three" automakers. Acquisition talks involving Chrysler were cancelled, however, before November 7, 2008, as part of a broader response to the increasing urgency of GM's own cash flow problems. That was a result of Chrysler's senior bank debt currently trading at less than 50 cents on the dollar and because Chrysler's other owner – Daimler, formerly DaimlerChrysler – recently revalued its 19.9% Chrysler stake down to zero, which may or may not reflect its value in a potential sale.
- December 12, 2008: General Motors stated that it was nearly out of cash, and may not survive past 2009. The U.S. Senate voted and strongly opposed any source of government assistance through a bailout bridge loan (originally worth \$14 billion in emergency aid) which was aimed toward helping the struggling Big Three automakers financially, despite strong support from President George W. Bush and President-elect Barack Obama, along with some mild support from the Democratic and Republican political parties.

Prior to the U.S. Senate's announcement, General Motors announced that it had hired several lawyers to discuss the possibility of filing for bankruptcy, with Chapter 11 bankruptcy being one of the options discussed. GM stated that "all options are on the table" for the company. Chrysler LLC, which is owned by Cerberus Capital Management, in a similar financial situation, warned that it, too, was nearly out of cash and might not survive much longer.

- December 18, 2008: President Bush announced that an "orderly" bankruptcy was one option being considered for both General Motors and Cerberus-owned Chrysler LLC. Sources said that setting up this type of "orderly" bankruptcy would be complicated because it would not only involve talks with the automakers, but also the unions and other stakeholders would have to be involved.
- December 19, 2008: President Bush approved a bailout plan and gave General Motors and Chrysler \$13.4 billion in financing from TARP (Troubled Assets Relief Program) funds, as well as \$4 billion to be "withdrawn later."
- As of February 14, 2009: General Motors was considering filing for Chapter 11 bankruptcy under a plan that would assemble all of their viable assets, including some U.S. brands and international operations, into a new company. Less than a week later, its Saab subsidiary filed for bankruptcy protection in Sweden.

- March 5, 2009: GM's independent public accounting firm (Deloitte & Touche) issued a qualified opinion as part of GM's 2008 annual report that stated "[these conditions] raise substantial doubt about its ability to continue as a going concern." A qualified going concern audit letter like this is only issued by the auditors when the company is in extreme financial distress and it is likely that it may file for bankruptcy protection.
- March 12, 2009: GM's CFO Ray Young said that it would not need the requested \$2B in March noting that the cost-cutting measures are starting to take hold.
- March 29, 2009: GM's Chairman and CEO, Rick Wagoner, agreed to immediately resign his position as part of an Obama administration automotive restructuring plan. Wagoner was replaced by Fritz Henderson. In announcing that plan, on March 30, 2009, President Obama stated that both GM and Chrysler may need to use "our bankruptcy code as a mechanism to help them restructure quickly and emerge stronger." He also announced that the warranties on cars made by these companies would be guaranteed by the U.S. Government.
- March 31, 2009: President Barack Obama announced that he would give GM 60 additional days to try and restructure their company and prove their viability. If they succeeded, Washington would provide General Motors with additional bridge loans. However, if GM could meet the requirements set by the White House, a prepackaged bankruptcy is probable. President Obama reiterated that GM will be part of the future even if bankruptcy is necessary.
- April 22, 2009: GM stated that it will not be able to make their June 1, 2009 debt payment.
- April 24, 2009: GM announced that they will be scrapping the Pontiac brand in an effort to invest more money into their major brands (Buick, Cadillac, Chevrolet, and GMC).
- May 4, 2009: German Economy Minister Karl-Theodor zu Guttenberg said Fiat (among others) might be interested in the GM European unit.
- June 1, 2009: GM filed for Chapter 11 Bankruptcy, the fourth largest filing in the United States history after Lehman Brothers, Washington Mutual, and Worldcom.

Environmental record

In the middle of 1999, the Environmental Protection Agency (EPA) removed 23,000 cubic yards (18,000 m³) of contaminated sediments and soil from the General Motors site in Massena, New York for disposal at a licensed facility in Utah. The amount contained 13,000 cubic yards (9,900 m³) of contaminated sediments dredged from the St. Lawrence River. The sediments had been stored on the site since 1995. There was also 10,000 cubic yards (7,600 m³) of contaminated sludge from the active wastewater treatment plant on the General Motors property. General Motors was ranked 20th in the 2002 Toxic 100. The company released 12,771,830 pounds of gases in the year 2002.

In September 2006, the state of California filed suit against General Motors, Chrysler, Nissan, Toyota, Honda, and Ford. The companies were accused of producing cars that emitted over 289 million metric tons of carbon per year in the United States, accounting for nearly 20% of carbon emissions in the United States and 30% of carbon emissions in California. The Union of Concerned Scientists ranked General Motors as seventh of the top eight manufacturers in terms of environmental impact. Although the company touts the most cars getting 30 mpg or better, it also has the most cars getting under 15 mpg.

Subsidies in Canada

In March 2005, the Government of Canada provided C\$200 million in incentives to General Motors for its Ontario plants to expand production and provide jobs, according to Jim Harris. Similar incentives were promised to non-North American auto companies like Toyota; Premier Dalton McGuinty said the money the province and Ottawa are pledging for the project is well-spent.

Labor relations

On September 24, 2007 General Motors workers represented by the United Auto Workers union went on the first nationwide strike against GM since 1970. The ripple effect of the strike reached into Canada the following day as two car assembly plants and a transmission facility were forced to close. Overnight a tentative agreement was reached, however, and UAW officials declared the end of the strike in a news conference at 4 a.m. on September 26. By the following day, all GM workers in both countries were back to work.

A new labor contract was ratified by UAW members exactly one week after the tentative agreement was reached, passing by a majority 62% vote. In the contract are several product and employment guarantees stretching well into the next decade. One of GM's key future products, the Chevy Volt, was promised to the GM Poletown/Detroit-Hamtramck plant in 2010. Also included is a VEBA (Voluntary Employee Beneficiary Association) which will transfer retiree health care obligations to the UAW by 2010. This eliminates more than \$50 billion from GM's healthcare tab. It will be funded by \$30 billion in cash and \$1.4 billion in GM stock paid to the UAW over the next four years of the contract. It also eliminates 70% of the labor cost gap with GM's Japanese rivals.

A strike at American Axle and Manufacturing Holdings Inc. will result in lost production of an additional 230,000 vehicles in the second quarter, with an estimated \$1.8 billion impact on earnings before tax, and a total strike cost of \$2.81 billion.

2008 Canadian Auto Workers bargaining

In an unusual move, GM Canada and the Canadian Auto Workers (CAW) union ratified a new collective bargaining contract in May 2008, four months before the expiration of the existing contract. As part of the agreement, among other production commitments, GM pledged to maintain production at the Oshawa, Ontario pickup truck plant. Less than three weeks later, GM announced that rising gasoline prices and falling truck sales made it necessary to close certain truck and SUV plants, including the Oshawa pickup plant. In response, CAW members staged a 12-day blockade of the GM Canada headquarters. After further discussions with the CAW, GM agreed to compensate workers at the truck plant, as well as making product commitments for the Oshawa car assembly plant.

Labor costs

GM has announced elimination of lifetime health benefits for about 100,000 of its white collar retirees by the end of 2008.

Auto racing

General Motors has an extensive history in numerous forms of racing. Vehicles of most, if not all, of GM's brands have been represented in competition, with perhaps Chevrolet being the most prominent. In particular, the Chevrolet Corvette has long been popular and successful in international road racing. GM also is a supplier of racing components, such as engines, transmissions, and electronics equipments.

GM's Oldsmobile Aurora engine platform was successful in the Indy Racing League (IRL) throughout the 1990s, winning many races in the small V-8 class. GM has also done much work in the development of electronics for GM auto racing. An unmodified Aurora V-8 in the Aerotech, captured 47 world records, including the record for speed endurance in the Motorsports Hall of Fame of America. Recently, the Cadillac V-Series has entered motorsports racing. GM has also used many cars in the American racing series NASCAR. Currently the Chevrolet Impala is the only entry in the series but in the past the Pontiac Grand Prix, Buick Regal, Oldsmobile Cutlass, Chevrolet Lumina, Chevrolet Malibu, and the Chevrolet Monte Carlo were also used.

In touring cars (mainly in Europe), Vauxhall is a key player and former champion in the British Touring Car Championship (BTCC) series and competes with a Vauxhall Vectra in Super 2000 spec, although have announced plans to withdraw at the end of 2009. Opel used to participate in the DTM series and also in the 1980s in the World Rally Championship and other Rally Series with Group B Spec Opel Manta's before this category of Rallying was banned. Chevrolet competes with a Chevrolet Cruze in the FIA World Touring Car Championship (WTCC). Tempus Sport and RML also complete with a privately run Lacetti in the BTCC.

In Australia, there is the prestigious V8 Supercar Championship which is battled out by the two main rivals of Holden & Ford. The current Holden Racing Team cars are based on the Holden Commodore and run a 5.0-litre V8-cylinder engine producing 635+ BHP (approx 467 kW Power). These cars have a top speed of 294 km/h (182 mph) and run 0-100 km/h in 3.8 seconds. The Holden Racing Team is Australia's most successful team in Australian Touring Car History. In 2007, the Drivers championship was won by the very closely linked HSV Dealer Team.

Small Cars, Alternative fuels and electric vehicles

General Motors is both active in environmental causes and, as a major industrial force, implicated in ecologically harmful activity.

The company has long worked on alternative-technology vehicles, and has recently led the industry with ethanol burning flexible-fuel vehicles that can run on either E85 (ethanol) or gasoline. The company was the first to use turbochargers and was an early proponent of V6 engines in the 1960s, but quickly lost interest as the muscle car race took hold. They demonstrated^[46] gas turbine vehicles powered by kerosene, an area of interest throughout the industry, but abandoned the alternative engine configuration in view of the 1973 oil crisis. In the 1970s and 1980s, GM pushed the benefits of diesel engines and cylinder deactivation technologies with disastrous results due to poor durability in the Oldsmobile diesels and drivability issues in the Cadillac V8-6-4 variable cylinder engines. In 1987, GM, in conjunction with Aerovironment, built the Sunraycer, which won the inaugural World Solar Challenge and was a showcase of advanced technology. Much of the technology from Sunraycer found its way into the Impact prototype electric vehicle (also built by Aerovironment) and was the predecessor to the EV1.

GM supported a compromise version of the CAFE standard increase from 27 mpg to 35 mpg, the first such increase in over 20 years.

Small Cars

"As part of General Motors Corporation (GM)'s restructuring, it plans to revive one of its idled U.S. factories for the production of a small car. The new small car will add to a group of small and fuel-efficient vehicles that the company is planning to roll out in the near future. The retooled plant will be capable of building 160,000 cars annually, including both small and compact vehicles. As part of its restructuring, GM will sell its iconic Hummer brand."

Hybrid electric initiative

In May 2004, GM delivered the world's first full sized hybrid pickups, the 1/2-ton Silverado/Sierra. These hybrids did not use electrical energy for propulsion, like GM's later designs. In 2005, the Opel Astra diesel Hybrid concept vehicle was introduced. The 2006 Saturn Vue Green Line was the first hybrid passenger vehicle from GM and is also a mild design. GM has hinted at new hybrid technologies to be employed that will be optimized for higher speeds in freeway driving.

GM currently offers two types of hybrid systems. The first type, used in the Saturn Vue, Saturn Aura, and Chevrolet Malibu, is what GM calls the BAS Hybrid system a type of mild hybrid which was canceled in 2009. The second hybrid drive system, co-developed with DaimlerChrysler and BMW, is called a "Two-Mode Hybrid." The two-mode is used by the Chevrolet Tahoe/GMC Yukon and will later be used on the Saturn Vue (cancelled), Cadillac Escalade, GM 1/2-ton pickups and possibly other vehicles.

GM's current hybrid electric models:

- 2009 Saturn Vue Green Line Hybrid
- 2009 Saturn Aura Green Line Hybrid
- 2009 GMC Yukon Hybrid
- 2009 Chevrolet Malibu Hybrid
- 2009 Chevrolet Tahoe Hybrid
- 2009 Cadillac Escalade Hybrid
- 2009 Chevrolet Silverado Hybrid
- 2009 GMC Sierra Hybrid

GM has recently introduced the concept cars Chevrolet Volt and Opel Flextrime, which are electric vehicles with back-up generators, powered by gasoline, E85, or fuel cells. According to GM, a production Chevrolet Volt will be available by late 2010 as a 2011 model.

The GM Magic Bus is a hybrid powered bus.

GM sold 843 hybrids of all types during the first quarter of 2008, according to the industry newspaper Automotive News. Compare that with Ford, which sold 5,225 hybrids during that time. CSM Worldwide, expects GM to seriously increase its hybrid output, turning the automaker into a serious contender within the next few years. He expects it to produce 40,000 to 50,000 hybrids this year, more than doubling last year's production.

All-electric vehicles

The process of obtaining the EV1, GM's first electric vehicle, was difficult. The vehicle could not be purchased outright. Instead, General Motors offered a closed-end lease for three years, with no renewal or residual purchase options. The EV1 was only available from specialist Saturn dealerships, and only in California and Arizona. Before reviewing leasing options, a potential lessee would be taken through a 'pre-qualification' process in order to learn how the EV1 was different from other vehicles. Next came a waiting list with no scheduled delivery date.

In June 2006 the documentary *Who Killed the Electric Car?* was released, criticizing among others, GM for being responsible for the demise of the EV1. Several weeks before the debut of the movie, the Smithsonian Institution announced that its EV1 display was being permanently removed and the EV1 car put into storage. GM is a major financial contributor to the museum, but both parties denied that this fact contributed to the removal of the display.

General Motors has responded to complaints about the scrapping of the EV1 program and they dispute the existence of any conspiracy surrounding its demise. An entry was posted on the GM blog *FastLane* in 2006 in which GM defended its decision by saying that it was unable to guarantee the vehicles could continue to be maintained in a safe operating state.

GM alleges that during the four years available to the public, only 800 EV1's were released. Over \$1 billion was spent on the EV1 program, with a great portion used for consumer incentives and marketing. With a waiting list of 5,000 applicants, only 50 individuals actually were willing to accept a lease on the EV1. Suppliers ceased production of replacement parts due to the low demand for the EV1. This made repairs and continued safety of the vehicles difficult. The EV1 was designed as a developmental vehicle and was never intended for serial production.

GM responded to allegations made in the film through a blog post by Dave Barthmuss, who said "Sadly, despite the substantial investment of money and the enthusiastic fervor of a relatively small number of EV1 drivers — including the filmmaker — the EV1 proved far from a viable commercial success." Barthmuss notes investments in electric vehicle technology since the EV1: Two-Mode Hybrid, plug-in hybrid, and fuel cell vehicle programs. The filmmakers suggested that GM did not immediately channel its technological progress with the EV1 into these projects, and instead let the technology languish while focusing on more immediately profitable enterprises such as SUVs. Contrary to this suggestion, as Barthmuss points out, GM is bullish on hydrogen:

According to GM, not all of the EV1's were destroyed. Many were donated to research institutions and facilities, along with museums. Some are still owned by General Motors themselves, and are kept at their technical design center in Warren, Michigan, and can occasionally be seen on the road within a closed area of the tech center.

On September 16, 2008, as part of its 100th anniversary celebration, GM unveiled the "production" version of the Chevrolet Volt at the GM headquarters in Detroit.

General Motors has announced that it is building a prototype two-seat electric vehicle with Segway. An early prototype of the Personal Urban Mobility and Accessibility vehicle—dubbed Project P.U.M.A. -- will be shown off in New York a day ahead of the press previews for the 2009 New York International Auto Show.

Battery packs for electric vehicles

GM will build battery packs with LG Chem in Michigan. GM also plans to build an automotive battery laboratory in Michigan. GM will take full responsibility for all the battery management systems and power electronics. The company will build a new factory in Michigan, but a specific site has yet to be announced, in part because negotiations are ongoing with state and local authorities on the usual incentives and approvals. LG Chem's US subsidiary, Compact Power of Troy, Michigan, has been building the prototype packs for the development vehicles and will continue to provide integration support and act as a liaison for the program.

Hydrogen initiative

GM has prided its research and prototype development of hydrogen powered vehicles, to be produced in early 2010, using a support infrastructure still in a prototype state. The economic feasibility of the technically challenging hydrogen car, and the low-cost production of hydrogen to fuel it, has also been discussed by other automobile manufacturers such as Ford and Chrysler.

In June 2007, Larry Burns, vice president of research and development, said he's not yet willing to say exactly when hydrogen vehicles will be mass produced, but he said it should happen before 2020, the year many experts have predicted. He said "I sure would be disappointed if we weren't there" before 2020.

Flexible-fuel vehicles

North American market

GM produces several flexible-fuel vehicles that can operate on E85 ethanol fuel or gasoline, or any blend of both. Since 2006 GM started featuring a bright yellow gas cap to remind drivers of the E85 capabilities, and also using badging with the text "Flexfuel/E85 Ethanol" to clearly mark the car as an E85 FFV.

GM is the North American leader in E85 flex fuel vehicles, with over 3 million FlexFuel vehicles on the road in the U.S. As of 2009, GM offers 18 ethanol-enabled FlexFuel cars and trucks in the US, and produce more than one million new FlexFuel vehicles. GM's goal is to have half of their annual vehicle production be E85 or biodiesel capable by 2012.

Despite the significant amount of flex fuel vehicles sold in the US and Canada, the percentage of users actually using ethanol has been very low as many owners are not aware they owned an E85 flex or not enough E85 fueling stations are available nearby, except for the Corn Belt states, where there is a great concentration of E85 stations, as most corn ethanol is produced there. A 2005 survey found that 68% of American flex-fuel car owners were not aware they owned an E85 flex. Several critics have argued that GM and the other American automakers have been producing E85 flex models motivated by a loophole in the CAFE (Corporate Average Fuel Economy) requirements, that allows for a fuel economy credit for every flex-fuel vehicle sold, whether or not in practice these vehicles are fueled with E85. This loophole might have allowed the car industry to meet the CAFE targets in fuel economy just by spending between USD 100 to USD 200 that it cost to turn a conventional vehicle into a flex-fuel, without investing in new technology to improve fuel economy, and saving them the potential fines for not achieving that standard in a given model year.

Brazilian market

GM's largest overseas subsidiary is General Motors do Brasil, which started producing flexible-fuel vehicles since its inception in the Brazilian market in 2003. Like other Brazilian flex-fuel vehicles, GM's flex fuel cars and light-duty trucks are optimized to run on any mix of E20-E25 gasoline and up to 100% hydrous ethanol fuel (E100).^[70] GM launched its first flex fuel in June 2003, the Chevrolet Corsa 1.8 FlexPower, just two months after the first flex car was launched by another Brazilian carmaker.^{[74][75]}

GM do Brasil also introduced the MultiPower engine in August 2004, which was capable of using natural gas (CNG), ethanol and gasoline (E20-E25 blend) as fuel, and it was used in the multifuel Chevrolet Astra 2.0 model 2005, aimed at the local taxi cab market. The Brazilian GM Powertrain unit also developed the EconoFlex technology, used for the first time in the Chevrolet Prisma 1.4, which allows the flex fuel engine to maximize fuel economy and power.

Due to the success and rapid consumer acceptance of the flex versions, GM sold 192,613 flex vehicles and 135,636 gasoline-powered automobiles in 2005, jumping to 501,681 flex-fuel vehicles, while only 949 cars and 6,834 light trucks powered by gasoline were sold in 2007, and reaching new car sales of 535,454 flex fuels in 2008, representing 97 percent of all cars and light duty trucks sold in that year.

Political and charitable contributions

In the 2008 election cycle, General Motors contributed \$802,414, with 52% of that amount going to the Democrats and 48% to the Republicans. Since 1996, General Motors has been the exclusive source of funding for Safe Kids USA's "Safe Kids Buckle Up" program, a national initiative to ensure child automobile safety through education and inspection.

GM's Saturn division put up a display at the 2009 Detroit Auto Show congratulating Barack Obama on his election as the first African-American president of the United States.

Corporate restructuring

After gaining market share in the late 1990s and making enormous profits, General Motors stock soared to over \$80 a share. However, in 2000, twelve successive interest rate hikes by the Federal Reserve led to a severe stock market decline following the September 11, 2001 attacks, caused a pension and benefit funds crisis at General Motors and many other American companies. General Motors' rising retiree health care costs and Other Post Employment Benefit (OPEB) fund deficit prompted the company to enact a broad restructuring plan. Although GM had already taken action to fully fund its pension plan, its OPEB fund became an issue for its corporate bond ratings. GM had expressed its disagreement with the bond ratings; moreover, GM's benefit funds were performing at higher than expected rates of return. Then, following a \$10.6 billion loss in 2005, GM acted quickly to implement its restructuring plan. For the first quarter of 2006 GM earned \$400 million, signaling a turnaround had already begun even though many aspects of the restructuring plan had not yet taken effect. Although retiree health care costs remain a significant issue, General Motors' investment strategy has generated a \$17.1 billion surplus in 2007 in its \$101 billion U.S. pension fund portfolio, a \$35 billion reversal from its \$17.8 billion of underfunding.

In February 2005, GM successfully bought itself out of a put option with Fiat for \$2 billion USD (€1.55 billion). In 2000, GM had sold a 6% stake to Fiat in return for a 20% share in the Italian automaker. As part of the deal, GM granted Fiat a put option, which, if the option had been exercised between January 2004

and July 2009, could have forced GM to buy Fiat. GM had agreed to the put option at the time, perhaps to keep it from being acquired by another automaker, such as Daimler AG, competing with GM's Opel and Vauxhall marques. The relationship suffered and Fiat had failed to improve. In 2003, Fiat recapitalized, reducing GM's stake to 10%.

In February 2006, GM slashed its annual dividend from 2.00 to \$1.00 per share. The reduction saved \$565 million a year. In March 2006, GM divested 92.36 million shares (reducing their stake from 20% to 3%) of Japanese manufacturer Suzuki, in order to raise \$2.3 billion. GM originally invested in Suzuki in the early 1980s.

On March 23, 2006, a private equity consortium including Kohlberg Kravis Roberts, Goldman Sachs Capital, and Five Mile Capital purchased \$8.8 billion, or 78% of GMAC's commercial mortgage arm. The name of the new entity, in which GMAC owns a 21% stake, is Capmark Financial Group.

On April 3, 2006, GM announced that it would sell 51% of GMAC as a whole to a consortium led by Cerberus Capital Management, raising \$14 billion over three years. Investors also included Citigroup's private equity arm and Aozora Bank of Japan. The group will pay GM \$7.4 billion in cash at closing. GM will retain approximately \$20 billion in automobile financing worth an estimated \$4 billion over three years.

GM sold its remaining 8% stake in Isuzu, which had peaked at 49% just a few years earlier, on April 11, 2006, to raise an additional \$300 million. 12,600 workers from Delphi, a key supplier to GM, agreed to buyouts and an early retirement plan offered by GM in order to avoid a strike, after a judge agreed to cancel Delphi's union contracts. 5,000 Delphi workers were allowed to flow to GM.

On June 28, 2007, GM agreed to sell its Allison Transmission division to private-equity firms Carlyle Group and Onex for \$5.1 billion. The deal will increase GM's liquidity and echoes previous moves to shift its focus towards its core automotive business. The two firms will control seven factories around Indianapolis but GM will retain management of a factory in Baltimore. Former Allison Transmission president Lawrence E. Dewey will be the new CEO of the standalone company.

Kirk Kerkorian once owned 9.9 percent of GM. According to press accounts from June 30, 2006, Kerkorian suggested that Renault acquire a 20 percent stake in GM to rescue GM from itself. A letter from Tracinda to Rick Wagoner was released to the public, to pressure GM's executive hierarchy, but talks failed. On November 22, 2006, Kerkorian sold 14 million shares of his GM stake (it is speculated that this action was due to GM's rejection of Renault and Nissan's bids for stakes in the company as both of these bids were strongly supported by Kerkorian); the sale resulted in GM's share price falling 4.1% from its 20 November price, although it remained above \$30/share. The sale lowered Kerkorian's holding to around 7% of GM. On November 30, 2006, Tracinda said it had agreed to sell another 14 million shares of GM, cutting Kerkorian's stake to half of what it had been earlier that year. By the end of November 2006, he had sold substantially all of his remaining GM shares. After Kerkorian sold, GM lost more than 90% of its value, falling as low as \$1/share by May 2009.

On February 12, 2008, GM announced its loss of \$39 billion, the biggest loss of any U.S. automaker. GM has offered buyouts to all its UAW members.

On March 24, 2008, GM reported a cash position of \$24 billion, or \$6 billion less than what was on hand September 31, 2007, which is a loss of \$1 billion a month. A further quarterly loss of \$15.5 billion, the third-biggest in the company's history, was announced on August 1, 2008.

On November 17, 2008, GM announced it would sell its stake in Suzuki Motor Corp., (3.02%) for 22.37 billion yen (\$230 million), in order to raise much needed cash to get through the 2008 economic crisis.

As GM opens new plants, those scheduled to close under the planned GM restructuring include (source: General Motors Corporation):

On May 30, 2009, it was announced that a deal had been reached to transfer GM's Opel assets to a separate company, majority-owned by a consortium led by Sberbank of Russia (35%), Magna International (20%), and Opel employees (10%). GM is expected to keep a 35% minority stake in the new company.

Bankruptcy filing June 2009

As part of a reorganization plan agreed to with the U.S., Canadian and Ontario governments, and the company's unions, General Motors filed for Chapter 11 Bankruptcy protection in a Manhattan court in New York on June 1, 2009, at approximately 8:00 am. The petition is for the largest bankruptcy filing of a U.S. industrial company and the fourth-largest bankruptcy in terms of assets in U.S. history at the time of filing. The filing reported US\$82.29 billion in assets and US\$172.81 billion in debt.

As ranked by total assets, the bankruptcy is the fourth-largest in U.S. history, after Lehman Brothers Holdings Inc., Washington Mutual and WorldCom Inc. The case was assigned to U.S. Bankruptcy Judge Robert Gerber. Gerber presided over the bankruptcy of Adelphia Communications Corp.

Shortly after the Chapter 11 filing, it was announced that as of Monday, June 8, 2009, GM would be removed from the Dow Jones Industrial Average, to be replaced by Cisco Systems. This coincided with the announcement that Citigroup Financial would also be removed and replaced by insurer, Travelers Co. From Tuesday, 2 June, GM stock will trade on the Pink Sheets under the symbol GMGMQ.

[edit]Post-bankruptcy, GM will focus primarily on its four core brands—Chevrolet, Cadillac, Buick, and GMC—while selling, discontinuing, or scaling back its other brands. GM announced plans to sell its iconic Hummer brand of premium off-road vehicles to a Chinese company, Sichuan Tengzhong Heavy Industrial Machinery Company. The Hummer H2 led the 2009 list of "meanest vehicles for the environment," which is part of the annual "Green Book" produced by the American Council for an Energy Efficient Economy. The White House characterized the GM restructuring as a shift toward a new leaner, greener GM, which will aim to break even with annual sales of 10 million cars. GM previously had to sell more than 16 million vehicles per year to break even. President Obama declared that the restructuring "will mark the end of an old GM, and the beginning of a new GM; a new GM that can produce the high-quality, safe, and fuel-efficient cars of tomorrow; that can lead America towards an energy independent future; and that is once more a symbol of America's success."

Criticism

Alleged collaboration with Nazi Germany

In August 1938, a senior executive for General Motors, James Mooney, received the Grand Cross of the German Eagle for his distinguished service to the Reich. "Nazi armaments chief Albert Speer told a congressional investigator that Germany could not have attempted its September 1939 Blitzkrieg of Poland without the performance-boosting additive technology provided by Alfred P. Sloan and General Motors". Charles Levinson, formerly deputy director of the European office of the CIO, alleged in his book, "Vodka-Cola": "Alfred P. Sloan, James D. Mooney, John T. Smith and Graeme K. Howard remained on the General Motors-Opel board . . . in flagrant violation of existing legislation, information, contacts, transfers and trade continued [throughout the war] to flow between the firm's Detroit headquarters and its subsidiaries both in Allied countries and in territories controlled by the Axis powers. The financial records of Opel Russelsheim revealed that between 1942 and 1945 production and sales strategy were planned in close coordination with General Motors factories throughout the

world.... In 1943, while its American manufacturers were equipping the United States Air Force, the German group were developing, manufacturing and assembling motors for the Messerschmitt 262, the first jet fighter in the world. This innovation gave the Nazis a basic technological advantage. With speeds up to 540 miles per hour, this aircraft could fly 100 miles per hour faster than its American rival, the piston-powered Mustang P150."

David Farber, author of *Sloan Rules: Alfred P. Sloan and the Triumph of General Motors* (2002), stated that:

"GM destroyed Sloan's files to protect itself from lawsuits regarding antitrust issues, the neglect of automobile safety and its investments in Nazi Germany."

Deliberate dismantlement of urban rail infrastructure

Facing a saturated car market in the U.S. in the early 1920s, GM engaged in a controversial policy along with road-builders that triggered the massive shift from the mass transportation of the previous century to the 'one-person-one-car' trip of today. In order to expand auto sales and maximize profits GM bought local mass transit systems and privately owned railways, following which it would proceed to eliminate them.

In the 1996 documentary, *Taken for a Ride*, GM is cited as being mastermind of purchase and destruction of private fixed rail transit systems in U.S. cities from the 1920s until the 1950s. The documentary claims the motivations were to eliminate fixed rail systems and implement the idea of buses and cars as being more efficient and better alternatives in order to increase GM sales.

1968 Corvair

Consumer advocate, Ralph Nader, issued a series of attacks on vehicle safety issues from GM – particularly the Chevrolet Corvair – in his book *Unsafe at Any Speed*, written in 1968. Being the first major action taken by Nader, he soon established his reputation as a crusader for safety. GM was then accused of sending spies after him. "A woman at the supermarket confronted me and said, 'How would you like to have a talk on foreign affairs?' This wasn't a classroom, this was a supermarket, I was buying cookies - I don't think she wanted to talk about foreign affairs, I think she wanted to talk about domestic affairs," Nader said in the 2006 documentary *An Unreasonable Man*. Agents were supposedly trying to fix his mind and get him to engage in sexual activity. "Mother would get calls saying, 'We've got a package for Mr. Ralph Nader at 9 AM.' There would also be threats like, 'You better back off, Buddy Boy'," said Claire, Nader's sister. GM was put on trial for attempting manipulation with Nader, Robert Kennedy and numerous other notable figures present at the trial. In the end, the CEO apologized to Nader; however, Nader continued to work against General Motors.

Top-level management

In 1980, J. Patrick Wright wrote a book named *On a Clear Day You Can See General Motors*. This book, which critics acclaimed "blows the lid off the king of carmakers" was about the allegations of corruption, "mismanagement and total irresponsibility" at the top level of the company, as seen by John Z. DeLorean, the Vice-President, who, in 1973, resigned from his position in spite of a brilliant and meteoric rise. He was earning \$650,000 per year and was expected to be the next President of GM.

Electric car project cancelled

In June 2006, the documentary, Who Killed the Electric Car?, was released, criticizing GM, among others, for the cancellation of its first electric car, the EV1. With the introduction of the production Chevrolet Volt, documentary director Chris Paine has since shown substantial affinity for General Motors; the sequel to the documentary, to be titled Revenge of the Electric Car, is expected to portray a less antagonistic view of GM. The all-electric EV1 could travel up to 240 km before recharging, but the Volt is expected to go only 64 km in electric-only mode on a single charge; this shorter range is characteristic of the typical commuter's daily range. An onboard generator will use gasoline to extend the maximum range.

Yearly American sales

Calendar Year	Total U.S. sales	Chg/yr.
2001	4,904,015	
2002	4,858,705	-0.9%
2003	4,756,403	-2.1%
2004	4,707,416	-1.0%
2005	4,517,730	-4.0%
2006	4,124,645	-8.7%
2007	3,866,620	-6.3%
2008	2,980,688	-22.9%



Delco-Remy

INLAND Manufacturing RUBBER, METAL, PLASTICS

Bu-Nite IRON HORSE



Delco SUPER 9 BRAKE FLUID DECLINE - BRAKE PARTS



HYDRA-MATIC

Packard



NEW DEPARTURE BALL BEARINGS



KLAXON



TERNSTEDT



FENIMO



Delco Radio GENERAL MOTORS



GMC GENERAL MOTORS COMPANY TRUCKS



THERMOTRON



HYATT

Baby Grand Royal Mail



LA SALLE



CHEVROLET

HARRISON



ARMASTEEL

Delco



Syncro-Mesh