

Delphi formalizes sale of interiors and closures unit to Renco Group

CHICAGO — Delphi Corp., Troy, Mich., has completed an agreement to sell its worldwide interiors and closures business to billionaire industrialist Ira Leon Rennart's Renco Group Inc. for \$106 million.

The agreement still requires a court auction and approval by the U.S. Bankruptcy Court for the Southern District of New York, which has overseen Delphi's Chapter 11 reorganization for the past two years.

Delphi said in February that it had signed a non-binding agreement for the sale of the business (*AMM*, Feb. 27), which generates annual revenue of around \$1.3 billion from such products as instrument panels, consoles, cockpits, door modules and latch systems.

The newly completed master sale and purchase agreement with a Renco subsidiary will be followed by a court-approved auction process before approvals by the court and other regulators are completed, Delphi executives said. A hearing on that process has been requested for Oct. 25, they said.

The business has manufacturing plants in Cottdale and Gadsden, Ala., Adrian and Orion, Mich., North Kansas City, Mo., Matmoras, Mexico, and Wörth, Germany, as well as joint ventures in Shanghai, China, and Daegu, South Korea, and other contracted manufacturing locations.

GM to cut shift, lay off 767 workers at big Hamtramck assembly plant

CHICAGO — General Motors Corp., Detroit, will permanently lay off 767 workers and cut production at its big Hamtramck plant in Michigan because of falling sales of two of the sedans built there.

A spokesman said that the 3-million-square-foot plant in the former Poletown neighborhood of Detroit, which now employs about 1,800 hourly workers, would move from two shifts to one shift when it starts a planned shutdown in mid-December through the New Year holiday.

The 22-year-old factory manufactures GM's high-end Buick Lucerne and

Cadillac DTS sedans, which each saw sales fall around 15 percent in the first three quarters of 2007, according to analysts.

The plant is scheduled to continue producing the two sedans through 2010, when it is expected to start making GM's highly anticipated Volt hybrid electric vehicle. The new GM labor contract promises future products for most of the company's U.S. assembly plants but does not specify how many shifts will run at the plants and how many workers will be employed.

Philip Burgert
pburgert@amm.com

UAW urging its members to back tentative agreement with Chrysler

CHICAGO — Local leaders of the United Auto Workers union at Chrysler LLC's U.S. plants have voted to recommend ratification of a new contract with the company despite some dissension among the union's negotiators.

The head of the negotiating committee in the talks with Auburn Hills, Mich.-based Chrysler opposed the agreement and plans to campaign against ratification during rank-and-file voting that was scheduled to begin Wednesday.

The opposition centers on concerns about the contract's lack of guarantees for future investment in some plants and lack of commitment to U.S. manufacturing from the now private-equity-controlled automaker.

The rift contrasted with unanimous support given by UAW officials for a pattern-setting contract negotiated with General Motors Corp., Detroit, ahead of ratification voting that showed overall membership support by two-thirds of GM's UAW workers.

Philip Burgert

pburgert@amm.com