International Newsroom

Navistar Suspends Production of Ford Power Stroke® Diesel Engines in Dispute Over Commercial Terms

Warrenville, Illinois - February 26, 2007
Navistar International Corporation (OTC:NAVZ) announced today that it is suspending production of the Power Stroke® diesel engine that it builds for Ford Motor Company because Ford has stopped honoring the terms of agreement under which the engines were built.

Navistar's principal operating company, International Truck and Engine Corporation, has been the exclusive diesel engine supplier for Ford's heavy duty pickup trucks since 1979 and recently launched a new 6.4L Power Stroke® diesel engine that meets 2007 emissions standards while increasing performance, durability and fuel economy.

Ford, using International-manufactured Power Stroke® diesel engines, has enjoyed leadership market share of close to 50 percent for many years. Navistar believes the new Power Stroke 6.4L diesel engines provide Ford the opportunity to maintain or improve this leadership position. Trade editors who have driven Ford's 2008 F-250 equipped with the Power Stroke® have given it rave reviews.

International currently produces the new 6.4L Power Stroke® diesel engine at its engine plants in Indianapolis, Ind., and Huntsville, Ala., and as a result of the dispute over commercial terms, production of those engines at both facilities will be halted immediately. The Huntsville operation will continue to produce engines for other customers.

Navistar said that it pays its suppliers and employees under contract terms and that it expects Ford to honor the terms of its agreement.

https://news.international.com/news?item=50