

# Is U.S. ready for a Romanian SUV?

## Many potholes are in the path of the low-price Cross Lander

By Simon Romero

**MIAMI:** Communist soldiers once drove them on maneuvers in the Transylvanian Alps. The former Romanian dictator, Nicolae Ceausescu, owned one outfitted with Persian carpet on the floorboards and trapdoors on the roof. Now, if a Miami entrepreneur gets his way, Americans will get their chance to own one.

Romania's answer to the sport utility vehicle, the Aro, recently rechristened the Cross Lander, is trying to move into the U.S. market.

John Perez, a Cuban-born businessman who recently acquired the Aro factory near Bucharest, wants to tap the market for military-style four-wheel-drive SUV's.

Perez's quest to sell a Romanian SUV is testament to the belief that American consumers will buy just about anything that resembles a descendant of the rugged, Jeep-like military vehicle. His obstacles include doubts about the vehicle's ability to pass stringent emissions and crash tests, an SUV market that is robust but showing signs of becoming saturated, and lingering ill will related to failed efforts in the 1990's to bring Romanian vehicles to the United States.

Still, Perez is soldiering on with the project to gain a foothold for the Cross Lander, a no-frills four-wheel-drive vehicle that, aesthetically at least, re-

sembles an ancient Land Rover.

"This isn't a vehicle for the soccer mom," Perez said. "It's for the outdoorsman, the hunter, the weekend adventurer. It really isn't for everybody."

The Cross Lander, whose bulky design has changed little since the 1960's, lacks amenities like power windows and surround-sound stereo; its foam seats have been derided even by some dealers who plan to sell it. Perez said he expected it to sell for less than \$20,000, low enough to make it access-

**'This isn't a vehicle for the soccer mom,' says the entrepreneur promoting the SUV.**

ible to drivers enticed by bulky but costlier military-style SUV's like the G500, made by Mercedes-Benz, or the Hummer H1 sold by General Motors, which is modeled after the military Humvee.

Before Perez gets to whet the appetite of such drivers, there is the pressing matter of restructuring Aro's operations in Romania. Perez's plan to lay off 1,400 of the 3,200 workers at the company's factory in Campulung, 97 kilometers, or 60 miles, north of the capital,

Bucharest, is already coming under scrutiny in Romania. The factory can make 20,000 vehicles a year, but current demand is for fewer than 2,000.

Perez and a small group of investors bought the factory in September for about \$170,000. The deal also requires them to assume debt of about \$10 million to banks and suppliers. Perez's group has also pledged to invest about \$15 million in its operations.

He made his first foray into Romanian business a decade ago with a soft-drink bottling venture but quit that some time ago. He said he thought he could overcome low morale at the Aro factory and public suspicion about the purchase.

Persuading U.S. dealers to sell the Cross Lander after a botched attempt to introduce the vehicle in the 1990's appears to be less difficult than fixing Aro's Romanian operations.

So far, Perez, who started in the automobile business as a Dodge dealer in the 1980's, said he had assembled more than 90 dealers interested in the vehicle.

Many people are signing up even after other dealers lost thousands of dollars in the late 1990's after investing with another Florida company, East European Imports, of which Perez was an investor. In an interview, Perez said the earlier failure of East European Imports to bring the vehicle to the United States made it more difficult for him to persuade Romanian officials that his ven-



AFP/Getty Images

If it can win approval from U.S. regulators, the Cross Lander 244X from Romania could be on American dealers' lots next spring. It would sell for under \$20,000.

ture could succeed. He said he lost about \$500,000 when the Romanian government discontinued the previous plan.

A separate Florida company, Eurasia Motor of Fort Lauderdale, also came under scrutiny in the late 1990's for efforts to sell SUV's from Romania, Brazil and South Africa. Perez said that his new venture, Cross Lander U.S.A., was unrelated to Eurasia.

"I was aware of the earlier import problems but I jumped at the chance to sell the Cross Lander," said Bob Lieke, president of No Boundaries 4X4, a dealer in Arlington, Texas, west of Dallas. Lieke, who praised the Cross Lander for

"an old-school style that reminds me of what Jeeps used to be like," said he expected to sell at least 20 of the vehicles a month and had already accepted deposit checks from 22 potential buyers.

Perez said he would like to sell at least 6,000 Cross Landers a year in the United States. Before the first sale is made, the vehicle needs to pass the Environmental Protection Agency's emissions tests and to be prepared to meet the crash and rollover standards set by the Department of Transportation. If those tests go well, the Cross Lander could be on dealers' lots by next spring.