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Decision to Close Plant Casts Toyota in Unfamiliar Role

By NICK BUNKLEY

DETROIT — After years of watching rivals shutter factories and lay off workers while it prospered, [Toyota](#) now finds itself in unfamiliar territory as it prepares to close its only unionized American plant.

Suddenly, a company whose success is one reason the Detroit automakers have had to cut so many jobs is itself cutting loose members of the [United Automobile Workers](#) union.

California officials say as many as 40,000 jobs could be lost after Toyota closes the plant in Fremont, Calif., where it builds the popular Corolla sedan and a small pickup, the Tacoma. And the U.A.W., which accused Toyota of callously abandoning its workers, criticized it for shifting Corolla production to Canada and Japan after millions of dollars in cash-for-clunkers rebates from the United States government caused sales of that car to surge.

"It has all the ingredients of a real mess," said Harley Shaiken, a labor specialist at the [University of California, Berkeley](#).

Atsushi Niimi, a Toyota executive vice president whose responsibilities include North America, denied that Toyota had decided to close the plant because its work force was unionized. He said California's high cost of living and labor were a factor, as was its location far from Toyota's suppliers.

Unlike U.A.W. members at other auto plants, the workers at the Fremont plant have no contract provision that gives them extra benefits after being laid off. Nor can they transfer to another plant, as many senior workers do when a [General Motors](#) or [Ford Motor Company](#) operation shuts down.

Though workers would be free to apply at other Toyota plants, the closest of which is more than 1,700 miles away, in San Antonio, "they will not be prioritized over the applicants from the local community," Mr. Niimi

told reporters on a conference call.

He said discussions about any severance or post-layoff benefits would be up to plant management, because it operates as a separate entity from Toyota, known as New United Motor Manufacturing Incorporated, or Nummi. "Management is ready to negotiate in good faith," Mr. Niimi said.

A spokesman for Nummi declined to comment beyond a statement from its chief executive, Kunihiko Ogura.

"We particularly regret the impact that this will have on our valued Nummi team members," Mr. Ogura said.

"We are committed to making every effort to ensure the best possible transition for Nummi team members."

Gov. [Arnold Schwarzenegger](#) of California said in a statement that his office would help to ensure "appropriate employee severance, proper environmental remediation and assistance in transforming the site to alternative uses."

Nummi opened in 1984 as a joint venture by Toyota and G.M. It gave Toyota its first chance to build cars in the United States, while G.M. sought an education in more efficient manufacturing.

After filing for bankruptcy protection in June, G.M. said that it would pull out of Nummi, leaving Toyota to decide if it could continue to operate the plant on its own or with a new partner. On Thursday, Toyota said it had concluded that keeping the plant open was not economically viable "over the mid- to long-term" without G.M.

Toyota said production would end in March. The vehicle G.M. built at Nummi, the Pontiac Vibe, was discontinued last week.

Though G.M.'s withdrawal is what prompted Toyota's review of the plant and decision to close it, G.M. seems to have escaped much of the blame from the U.A.W. and California officials who have been assembling a package of incentives to persuade Toyota to stay in Fremont. U.A.W. leaders reacted angrily to Toyota's announcement but never mentioned G.M.

"This gave Toyota the opening to do something they may have been contemplating in any case," Professor

Shaiken said. He said Toyota might have underestimated the impact of closing the plant.

“They’re viewing this as a business decision,” he said. “And a plant closure in the midst of an economic collapse is also a political decision.”

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