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# Los Angeles Times

<http://www.latimes.com/business/la-fi-toyota-plant-closing24-2009jul24,0,3706960.story>

From the Los Angeles Times

## Toyota considers halt to operations at California's last car plant

The Japanese automaker will begin talks with GM to end their 25-year-old joint venture, NUMMI, in Fremont.

By Martin Zimmerman

11:22 AM PDT, July 23, 2009

Toyota Motor Corp. reportedly has decided to cease operations at the Bay Area auto assembly plant it shares with General Motors Co., though the Japanese automaker said a final decision hasn't been made to shutter the last remaining car plant in California.

The Kyodo News agency, citing unidentified sources, said the Japanese automaker will begin talks next week to dissolve the New United Motor Manufacturing Co., or NUMMI, which opened in 1984 as a 50-50 joint venture between Toyota and GM.

In a statement issued this morning, Toyota confirmed that it would begin talks with Motors Liquidation Co. -- the entity charged with selling the assets shed by GM in bankruptcy -- about dissolving the NUMMI partnership.

However, "there are a number of difficult and complex issues that we need to address before making any final decisions with respect to NUMMI, and as a result, this process will take more time," Toyota said in its statement.

"When we talk about liquidating NUMMI, that's not saying we're closing the plant." said Mike Michels, a spokesman with Toyota Motor Sales USA in Torrance. "That's talking about liquidating the legal entity."

The plant, which is in Fremont, Calif., employs about 5,000 workers making Toyota Corollas and Tacomas and Pontiac Vibes.

Toyota's sales in the U.S. are down almost 38% so far this year as the auto industry suffers its worst slump in decades. As a result, the automaker has excess production capacity at its North American auto plants, including NUMMI, which can produce more than 400,000 vehicles a year.

In the first six months of this year, the assembly line making the Vibe and the Corolla rolled out only 76,000 vehicles, a 25% decline from a year ago, while the line making the Tacoma saw an 83% drop in production, according to the Automotive News Data Center. The plant was unprofitable last year, Michels said.

If a shutdown occurs, it will be yet another blow to California's struggling economy, eliminating the payroll at NUMMI as well as 30,000 jobs indirectly tied to the factory, according to the East Bay Economic Development Alliance.

There have been proposals in Sacramento to provide tax breaks and other incentives to keep the plant open, though nothing has been finalized.

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