

Toyota temporarily halts sales of eight models

Camry, Corolla models included

BY KEN BENSINGER AND RALPH VARTABEDIAN
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LOS ANGELES — Toyota Motor Corp. has taken the unprecedented step of halting sales and production of eight models — including its top-selling Camry and Corolla — saying their gas pedals can get stuck and cause runaway acceleration.

Industry experts could not recall any time in recent history when a carmaker had stopped production and sales of so many models at once. Tuesday's move follows two recent recalls aimed at preventing Toyota-made vehicles from surging out of control, which has been blamed in at least 19 deaths and scores of injuries over the last decade, more than all other automakers combined.

Toyota could pay dearly for the problem, industry analysts said. Aside from the immediate drop in sales, Toyota's position as the global sales leader was built on its vaunted reputation for trouble-free cars, which is now being called into question.

"This could be an extended issue. It is very serious," said Aaron Bragman, an analyst at IHS Global Insight.

The eight models affected accounted for 57 percent of Toyota's U.S. sales last year, including the automaker's Lexus and Scion brands.

Bragman estimated that the move could stop the production and sale of up to 105,000 Toyota cars and trucks a month, based on the most recent sales figures. He noted that the sales freeze comes just as Ford Motor Co., General Motors Co. and Hyundai Motor Co. all were improving their quality and mounting aggressive sales

and marketing campaigns. Toyota's 1,200 U.S. dealers were notified of the action, known in the industry as a stop sale, by e-mail Tuesday afternoon. They were asked to immediately cease selling new models of the affected vehicles and to refrain from selling certain used versions of the same models.

"This is the mother of all stop sales, it appears," said Fritz Hitchcock, who owns Toyota dealerships in Santa Barbara, Northridge and the City of Industry.

Hitchcock said the action could cut up to 75 percent of new vehicle sales at his lots. "I'd say this was the perfect storm."

Toyota said it stopped sales of the following models and years: 2009 to 2010 RAV4, 2009 to 2010 Corolla, 2009 to 2010 Matrix, 2005 to 2010 Avalon, 2010 Highlander, 2007 to 2010 Tundra and 2008 to 2010 Sequoia.

It also is halting sales of certain 2007 to 2010 Camry sedans, depending on where those vehicles were manufactured; Camry owners should check with their dealer to determine if their car is affected.

Toyota also said it would shut down production of the models at six assembly lines in the U.S. and Canada starting Monday.

Dealers said a small number of vehicles made outside North America would not be affected because they didn't have the suspect pedal assembly. Lexus and Scion vehicles also were not included in the action.

Toyota said it did not know when dealers could resume selling the cars and trucks because it had not yet determined a remedy to the problem, which in certain rare circumstances can cause the gas pedal to remain depressed after the driver's foot is removed.

"This action is necessary until a remedy is finalized,"

Bob Carter, general manager of Toyota's U.S. sales division, said in a statement. "We're making every effort to address this situation for our customers as quickly as possible."

The sales freeze, which a Toyota spokesman said is its most extensive in more than five decades selling cars in the U.S., comes five days after the automaker said it would recall 2.3 million cars and trucks because of the same problem.

That recall in turn came just months after Toyota launched a recall of 4.3 million vehicles, its largest ever, because floor mats could trap the gas pedal and cause sudden acceleration. Most of the vehicles targeted in last week's recall also were included in the previous one.

Toyota began considering halting sales after announcing last week's recall, said Toyota spokesman Brian Lyons said. He said that decision was reached Tuesday and announced almost immediately.

"Normally when we make a recall, we already have the countermeasure ready to go," he explained. "But we don't have the countermeasure ready to go in this case, so we decided to implement a stop sale."

The automaker also notified the National Highway Traffic Safety Administration, Lyons said.

NHTSA officials could not be reached for comment Tuesday. In the wake of last week's action, the agency said it believes the situation "is a serious safety issue, and we are pleased that Toyota is taking immediate action to address it."

Carmakers from time to time order sales stops or halt production lines to fix problems, but usually they are far more limited in scope.

Toyota, for example, temporarily held sales of the Highlander in 2008 to re-

place rear seat belts as part of recall affecting 90,000 SUVs, while Ford was forced to issue several stop-sale orders affecting a limited number of vehicles from 2002 to 2005.

And in 2006, Ford halted production at seven assembly plants, affecting some of its top-selling models, after it identified a faulty transmission part. But that problem was resolved rapidly, and production resumed the following day.

According to Hitchcock, who took part in a conference call Toyota held with dealers on Tuesday afternoon, the automaker said that it did not anticipate getting replacement parts to fix the problem to its factories and dealerships for three to four weeks.

Toyota's sudden-acceleration problem first came to light in August, when a Lexus ES sped out of control

near San Diego, crashing and killing an off-duty California Highway Patrol officer and his family.

A month later, Toyota said it would recall seven models of vehicles to prevent sudden-acceleration incidents. In November it said that recall would involve modifying or replacing pedals, swapping out floor mats, changing carpet padding and installing new safety software that overrides the throttle when the brake is depressed.

That recall is under way, but reports of unintended acceleration have continued to mount.

And after insisting for months that the problem was limited to floor mats entrapping pedals, the automaker last week changed its story, announcing that it had identified a separate, mechanical problem.

According to Toyota, ped-

al assemblies made by CTS Corp., an Elkhart, Ind., supplier, had a tendency to stick or return slowly after being depressed in certain conditions. Toyota last week said it has not found a problem with pedals made by another supplier, Denso Corp.

The Los Angeles Times reported Nov. 29 that complaints of sudden acceleration in Toyota and Lexus vehicles soared after the automaker began adopting electronic throttle systems starting with 2002 model year cars.

Toyota, for its part, has denied that electronic throttle systems are to blame, saying that it has thoroughly investigated those components and found no defects. Nonetheless, the automaker said last week that it was continuing to evaluate field reports of sudden acceleration and was on the lookout for any other potential causes.



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