1,200-Worker Automotive Plant Closing In AL

HUNTSVILLE, Ala. (AP) — Continental Automotive Systems U.S. says it will close its automotive parts plant in Huntsville by Dec. 31 next year, laying off more than 1,000 workers.

Monday's announcement comes a month after Continental warned that cutting costs in product development and manufacturing were necessary to save the company. It asked the United Auto Workers to agree to several concessions, which the union rejected.

"The Huntsville facility has the highest manufacturing costs of any Continental automotive electronics plant in North America and we were unsuccessful in reducing these costs through labor negotiations with United Automobile Workers union and other cost reductions in capital, equipment, overhead and expenses," company spokeswoman Kathryn Blackwell said.

Product lines made in the Huntsville will be shifted to facilities in Seguin, Texas and Nogales and Cuautla, Mexico.

Product development operations will be moved to plants in Auburn Hills, Mich.; Deer Park, Ill.; and Guadalajara, Mexico.

Employees were notified Monday in three meetings at the plant, which is in Jetplex Industrial Park near Huntsville International Airport. Continental says the plant's closure will be implemented in several phases.

Joe Fadool, the vice president of operations for the plant, said certain product lines will begin to transfer by the end of this year. Fadool said all product lines will be transferred by the fourth quarter of 2010.

The Huntsville plant has about 1,280 salaried and hourly employees, which includes about 300 who were laid off with recall rights.

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