

# Accelerator Fixes Too Late For Battered Toyota Reputation

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NAGOYA, Japan (AP) — Toyota's fix for the gas pedal problem that led to the recall of millions of cars has not come soon enough to prevent a consumer backlash in the U.S. and elsewhere that is battering its sales.

One of the automaker's top executives on Tuesday said the damage from the global recall of nearly 4.6 million vehicles may be greater than previous quality problems because of the massive scale.

"This is unprecedented in having caused this huge problem for customers," said Shinichi Sasaki, who oversees quality control at the world's No. 1 automaker.

He said it was too soon to put a number on the ultimate cost of the recall. But Tatsuo Yoshida, an auto analyst at UBS in Tokyo, estimated the recalls are likely to cost about \$900 million, and lost sales are already costing Toyota another \$155 million a week.

The recall to fix a gas pedal that can stick when depressed covers some 2.3 million vehicles in the United States alone, including some of Toyota's best-selling models, such as the Camry and Corolla. The company has recalled millions more because of floor mats that can catch the gas pedal.

Toyota apologized to its customers Monday and said a piece of steel about the size of a postage stamp will fix the gas pedal problem. Repairs will take about a half-hour and will start in a matter of days, the company said.

The repair involves installing a steel shim a couple of millimeters thick in the pedal assembly, behind the top of the gas pedal, to eliminate the excess friction between two pieces of the accelerator mechanism. In rare cases, Toyota says, that friction can cause the pedal to become stuck in the depressed position.

Toyota insisted the solution, rolled out six days after it temporarily stopped selling some of its top models, has been through rigorous testing and will solve the problem for the life of the car.

After a week in which Toyota drivers said they were worried about the safety of their cars and dealers were frustrated by a lack of information, Toyota said it would work to regain the trust of its customers.

"This is embarrassing for us to have ... this kind of recall situation," Jim Lentz, president of Toyota Motor Sales USA, told reporters. "But it doesn't necessarily mean that we have lost our edge on quality. But we do have to be vigilant. We have

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to redouble our efforts to make sure this doesn't happen again."

Earl Stewart, who owns a Toyota dealership in North Palm Beach, Fla., and had been critical of delays in getting repair parts to dealers, said he was happy with the fix. He said he was reassured that it had been tested by independent engineers, not just Toyota's.

"You never say you're absolutely sure about anything, but I feel that this is probably the answer," he said.

The National Highway Traffic Safety Administration said it had "no reason to challenge this remedy." Transportation Secretary Ray LaHood said last week the government had urged Toyota to issue the recall and suspend production.

Others, meanwhile, say consumers are still likely to be smarting.

Toshirou Yoshinaga, analyst at Aizawa Securities in Tokyo, said Toyota failed to move quickly enough.

"The top management should have gone public sooner to address the American public," he said. "The trust in Japanese quality, in Toyota, has been shaken."

Masaaki Sato, who has written books on Japanese automakers, including Toyota, said the biggest mistake was not having President Akio Toyoda immediately give an explanation and squelch fears among owners.

Toyoda largely ignored media requests for comment on the recalls. He gave an apology to customers when approached by Japanese broadcaster NHK last week while he was in Davos, Switzerland, for a conference.

According to numbers Toyota released Tuesday, the recall covered 4.45 million cars worldwide - 2.48 million of them in North America, 1.71 million in Europe, some 80,000 in China and 180,000 in other regions, including the Middle East.

It estimated repairing all the recalled cars would take months. It said some dealers were planning to stay open around the clock to make the repairs once parts arrived. Parts were expected to begin arriving late Tuesday and Wednesday.

Toyota's European operations said the parts needed to fix the gas pedal problem will start arriving in Europe next week.

Besides millions of dollars a day in lost sales, the recall posed a public-relations challenge to Toyota, which for decades has enjoyed a loyal customer base and a reputation for quality.

Toyota took out full-page newspaper ads declaring the episode a pause "to put you first," and on Monday it sent Lentz to morning news shows to express confidence in the fix.

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That was not enough for Michelle Lynch, of Safety Harbor, Fla., who is afraid to drive her 2006 Toyota Avalon after she says her accelerator stuck while she was driving to work on Jan. 25.

Lynch claims the accelerator stuck for about 45 seconds. She says she quickly put the car into neutral and pressed the brakes, regaining control of the vehicle, but she now is concerned the engine may have been damaged.

"Ultimately, I would like to have it fixed and make sure it's fixed right," Lynch said Monday, adding that Toyota has provided "different excuses for what the problem was so it's hard for me to believe that just a simple fix is going to be adequate."

Speaking to reporters at Toyota's Nagoya office, executive vice president Sasaki defended his company's perceived dallying in explaining to consumers, and said it came from Toyota focusing on trying to fix the problem.

Generally after a recall, sales drop about 20 percent in the first month and then gradually recover, said Sasaki. But he acknowledged the latest recalls were unprecedented in scope.

He denied there were any electronic problems in the vehicles being recalled in the U.S., as some have speculated. Toyota investigated and had "not found a single case," he said.

NHTSA was looking into the possibility of such problems, said a Transportation Department official. The official, who spoke on condition of anonymity to discuss an ongoing investigation, said electromagnetic interference might cause the throttle control systems in the Toyota vehicles to malfunction, but NHTSA had not seen evidence to support that yet.

The company plans to restart U.S. production Feb. 8 on models covered by the recall — the Camry, Corolla, Avalon and Highlander cars, the Matrix hatchback, the Tundra pickup, the RAV4 crossover and the Sequoia SUV. The production was suspended starting Monday.

Toyota shareholders appeared pleased. The company's stock, which took a hit last week, was up 4.5 percent Tuesday in Tokyo. The broader market was up 1.6 percent.

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