

GM Adds To Volt Plant's Usual Summer Closure

Tom Krisher, AP Auto Writer

DETROIT (AP) — General Motors Co. will suspend production of the Chevrolet Volt for an extra week this summer as it tries to control the electric car's inventory.

But the company says sales picked up in March to a record of more than 2,000, and it may cancel the extra week if sales stay strong.

Most auto factories close for two weeks starting in early July to get updated for the new model year. GM added a third week at the Volt factory that straddles the border between Detroit and the small enclave of Hamtramck. The plant was already closed from March 19 through April 23, as the supply of Volts grew on dealer lots. About 1,300 workers at the factory have been idled.

The Volt can travel about 35 miles on battery power before a small gas engine kicks in to generate electricity and keep the car going. It can be recharged from a 110-volt home outlet or even faster with a 220-volt charging station.

Until March, sales of the car were disappointing. The company sold 7,671 Volts last year, below its goal of 10,000. It sold 1,023 in February and just 603 in January. GM had 6,319 Volts in its inventory at the end of February, enough to supply dealers for 154 days, according to Ward's AutoInfoBank. A 60-day supply is considered optimal to keep a good selection of cars on dealer lots.

The Volt has a starting price of just under \$40,000, but it is eligible for a \$7,500 federal tax credit, as well as other credits in some states.

Volt sales spiked in March as gasoline prices jumped to around \$4 per gallon nationwide.

Spokeswoman Michelle Malcho said GM may cancel the additional summer shutdown week at the factory if sales continue to be strong as expected. "We're going to see what market demands are between now and then," she said Monday.

Automakers including GM are scheduled to release March U.S. sales figures on Tuesday.

Sales of the Volt's closest competitor, the all-electric Nissan Leaf, also tailed off early this year. Nissan sold 676 Leafs in January and only 478 in February, after selling nearly 9,700 last year. The Leaf, which starts at \$35,200, is eligible for the same tax credits as the Volt. Nissan had only 485 Leafs at dealers in February, a 25-day supply, according to Ward's.

Volt sales slowed last year after fires broke out in three of the cars' batteries several days after safety crash-testing. The National Highway Traffic Safety Administration

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launched an investigation, but closed it after determining that the car was no more risky than vehicles with conventional gasoline engines.

Last year GM offered to buy back Volts from any customers worried about safety. In January the automaker advised Volt owners to take the cars to a dealer for free repairs. Steel was added to plates that protect the batteries, which GM said provided additional protection to minimize fire risk.

GM and federal officials believe that the fires were caused by coolant leaking from damaged plastic casing around the batteries after side-impact test crashes. They say that they don't know of any such fires in regular use of the cars.

The investigation into the fires made the Volt a political lightning rod. Republicans accused federal safety regulators of going easy on the Volt because the government owns a stake in GM after giving it a \$50 billion bailout.

The director of the highway safety agency denied giving GM favorable treatment.

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