

State leaders cling to hope that GM will find use for Boxwood Road plant (The News Journal)

By ERIC RUTH

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The three-month lifeline President George W. Bush tossed Friday to General Motors and Chrysler comes as a relief to struggling Delaware auto dealers, but does little to brighten the horizon for thousands of workers in Newark and at Boxwood Road near Newport.

Chrysler shut down its Newark assembly line for the last time on Friday, idling 1,100 workers, and GM's Boxwood plant is down to 578 hourly workers on the last of three shifts.

The \$13.4 billion bailout loans won't bring back the Newark plant or ramp up GM's Boxwood Road factory, but state lawmakers cling to hope that the auto industry's restructuring still might include Delaware.

In particular, GM's new dependency on the federal government -- and its need to develop by March 31 a restructuring plan acceptable to Congress -- could make the automaker more sensitive to calls for future products such as hybrid or electric cars to roll off existing production lines like the one at Boxwood Road.

The key will be to convince GM that the plant deserves to build one of the new-technology efforts, said Rep. Mike Castle, R-Del.

"Hopefully, they will listen to us as this unfolds," Castle said. "That [future cars] may be the area where you're going to see economic growth."

Sen. Tom Carper, D-Del., said he has put in a few recent plugs for the local plant with General Motors CEO Richard Wagoner.

"GM is mindful of our intense interest in this issue," he said. "GM is also cognizant of what an excellent plant the Boxwood Road plant is in terms of product, in terms of quality and in terms of excellent labor-management relations."

Still, while automakers are aware of Delaware's position -- and mindful of showing gratitude for the help of the government -- the state is far from the only one hoping to secure workers' jobs.

"I cannot imagine a scenario where Delaware necessarily leaps ahead of other states," Castle said.

GM has said it plans to move production of the Pontiac Solstice and Saturn Sky from Boxwood Road to a plant in Bowling Green, Ky., in 2012. After that, the company has no plans to build a car at Boxwood, although it has not said it plans to close the facility.

The company said Thursday it may shrink the Pontiac division to a single model from six following a drop in sales every year since 1999. The surviving model sounds a lot like the Pontiac Solstice, but also could be the Pontiac G8 sedan, introduced just this year in the U.S.

Mark LaNeve, GM's North American sales chief, wouldn't name the remaining Pontiac, but described it as "a very high-appeal, performance-oriented model as opposed to a mainstream high-volume model." It would be less expensive than the Corvette, which starts at about \$50,000, LaNeve said.

The future of the Chrysler plant most likely involves non-auto uses -- perhaps a clearing of the entire site for redevelopment as a high-tech business park.

That's what University of Delaware officials envision on the property for which the college is now the lone bidder. UD's board of trustees this month approved negotiations with Chrysler to buy the property.

Officials said they see nothing in the terms of the bailout announced Friday that would prevent Chrysler from disposing of an asset like the Newark property.

"Hopefully, our efforts on behalf of the industry surviving will translate into a successful transaction in which the University of Delaware will acquire the property for a reasonable price," Carper said Friday.

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