

Fiat Chrysler to move Jeep Cherokee production out of Toledo

Shannon Jones
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Fiat Chrysler Automobiles (FCA) CEO Sergio Marchionne said Tuesday that the company will shift production of the Jeep Cherokee out of its assembly complex in Toledo, Ohio to another facility. The move leaves the fate of thousands of jobs at the Jeep plant up in the air.

In a separate statement, FCA indicated that production of the Jeep Wrangler would continue in Toledo. The announcement comes after 11 months of uncertainty about the fate of Wrangler production in the city. According to a report in *Automotive News*, FCA will also build a Wrangler-based pick-up truck in Toledo. However, the details of that plan are not finalized.

The Cherokee is slated to move either to the Sterling Heights Assembly Plant outside of Detroit or to the Belvidere Assembly Plant in Illinois. The Cherokee could be built at either facility with little retooling. The Cherokee is Jeep's top selling vehicle.

FCA had earlier indicated it was considering moving Wrangler production out of Toledo because of the cost of making changes in the plant so that it could construct the vehicle with an aluminum body to meet federal gas mileage regulations. The city of Toledo and the state of Ohio had sought to keep Wrangler production at the Jeep plant by offering incentives.

The company had never raised the possibility of moving the Cherokee. Over one-half of workers at the Jeep complex build the Cherokee. Marchionne also noted that the Toledo facility could be converted to the production of the Ram 1500 pickup truck, which is currently built at the Warren Truck Plant outside of Detroit. What impact that might have on the long-term fate of production at the Warren facility was not immediately clear.

The announcement of the move of the Cherokee

comes on the eve of the contract expiration for 140,000 autoworkers at Ford, General Motors and FCA and appears designed to evoke fear and uncertainty among Jeep and other FCA workers about the fate of their jobs. Marchionne indicated that final details of the company's plans will not be revealed until after the conclusion of negotiations, an indication that FCA will tie the maintenance of jobs in Toledo to further concessions.

The Jeep complex in Toledo is called officially the Toledo Supplier Park and is operated by FCA in conjunction with Kuka Systems, a subsidiary of German-based Kuka Systems Group and Mobis, a subsidiary of South Korean-based Hyundai. Kuka builds the body and Mobis builds the chassis for the Wrangler, while FCA does final assembly and trim.

Workers employed by Kuka and Mobis are members of UAW Local 12, but are paid on a lower scale than FCA workers, topping out at around \$20 an hour compared to top scale of \$28 dollars an hour for senior FCA workers. Some employees make as little as \$10 an hour. Their contract will not be negotiated until the settlement of the national contract for Ford, GM and FCA.

The announcement by Marchionne in relation to Jeep follows statements by Ford that it is shifting production of several models from its Michigan Assembly Plant outside of Detroit to Mexico. It comes at the same time that Marchionne is reiterating his determination to merge FCA with another automaker, probably GM. Such a merger would likely result in the elimination of tens of thousands of jobs.

A WSWWS reporting team that visited Toledo on Wednesday spoke to Jeep workers about Marchionne's announcement in relation to the upcoming contract expiration. Workers told the WSWWS that moving

production of the Cherokee put the fate of their jobs into question.

A second tier worker on the Wrangler line said, “Management was telling us today they were moving the Cherokee to Mexico. They are acting like they are not going to keep the Wrangler either. It sounds like intimidation. We are being kept in the dark.”

Another Jeep worker contacted by the WSWs said he saw a threat to jobs in the latest announcement by FCA. “There are likely to be at least 1,000 laid off. I can’t see them keeping everybody without the Cherokee. It takes fewer people to build the Wrangler. You basically run a gauntlet on the Wrangler side, you have people running between cars.

“Marchionne said that Wrangler would be tied in with the negotiations. What the UAW gave up to keep the Wrangler here, I don’t know. They won’t let us know anything until a union meeting on Friday, but I think they traded stuff away.”

He spoke about the concerns of Jeep workers. “The Alternative Work Schedule is a big issue. No one wants it. They are working you all the overtime they want without incentives. Some people are being forced to work Sunday, depending on their job description. I was forced to work 13 hours a day on Martin Luther King Day. We were told it would be eight hours, but when we got there we were told 13.

“The union says it can’t help Temporary Part Time workers (TPT) even though they pay union dues. TPT’s are only supposed to work three days a week, but they were forcing them to work six days a week for years. They force TPT’s to work on Sundays as well.”

He said that anger was building in the plant. “The workers are ready to strike, but whether the union lets us strike is another question.”

Workers at Jeep, he said, were concerned about talk of setting up a Voluntary Employee Beneficiary Association, or VEBA, to cover health care costs for active workers. “It means that Chrysler may not be paying for health care any more. Marchionne is saying it is too high.”

WSWS reporters also spoke to workers at the Mobis chassis facility. A worker with nine years experience said, “I watched this facility being built. They put it in here so they could pay workers less money, and that’s what they did. We do the hardest work, but make less money than workers doing the final assembly.

“A lot of people here are young. We have temporary workers in here making \$10 an hour, and we have already trained enough of them so that they could replace us if we went on strike.”



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