

A123 SYSTEMS LAYS OFF 125



Bad news for the workers of A123 Systems, the company is expecting to let go about 125 of their staff members from facilities in Livonia and Romulus, Michigan, in an effort to cut costs and remain in the black. This brings the overall size of the facility to about 700 workers, after the layoffs that happened just before the Thanksgiving holiday. At least this cloud is expected to come with a silver lining. According to what Dan Borgasano, the public relations manager for A123 Systems, told a local reporter the layoffs are not expected to be permanent. His exact words were, "We expect to be calling these people back in six months or less." That is good news for the workers who may find it hard to get a new job in the near future. The layoffs are all being attributed to the lack of demand for the company's products. In this case a reduced order from one of the companies largest clients, Fisker Automotive in California. A123 Systems primarily manufactures an advanced type of Nanophosphate lithium ion batteries and other energy storage systems for a variety of industries, including the automotive industry and commercial markets. They also produce some products designed to work with municipal electricity grids. Mr. Borgasano had the following to say to a local reporter about the layoffs cause, "It's certainly unfortunate, but we are a supplier subject to situations like this just like any supplier. The part we really want to stress is we expect it to be temporary, hopefully a blip we all get past." Given that the company cannot anticipate when the company's business will pick up, or the new level of needs for their largest client, it seems a bit odd that they can estimate when they will be able to re-hire the newly displaced workers. There is a certain twinge of irony in the loss of these jobs, at least in the case of workers at the Livonia plant, since that facility was only opened in September of 2010. At the time the opening of the plant was lauded by Democratic congressional leaders and the governor as the beginning of new era of advanced manufacturing for the state. While this is the largest lithium ion automotive battery production facility in North America, losing jobs so soon after opening is far less than ideal. About half of the original 300 workers hired on the opening were let go in this layoff action. For building the plant the company got some nice benefits. They were given a \$249 million grant by the U.S. Department of Energy , \$125 million in incentives at the state level and a 50-percent reduction in the amount taxes they will pay to the city of Livonia for 12 years following the plants opening. At the current moment the company was unable to give specific figures on how many employees were let go from each of the facilities, owing to the fact that the facilities would often share workers in order to best serve the company's needs.

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