

## PENSKE LOGISTICS, KANSAS, TO LAY OFF 147 WORKERS



While the auto majors keep assuring the federal government and the media of huge job gains waiting around the corner to justify the huge amount of federal bailouts received to keep the auto industry going, the reality continues to be different. While direct increase or reduction in the workforce at company owned plants of auto majors do indicate the state of the business, the ripple effects, which sometimes come early or late on businesses dependent on the auto industry are telling a sad tale that continues. Of recent, Penske Logistics has planned to lay off 147 workers from its North Kansas City plant. The reason: loss of its warehousing contract at the Ford Claycomo assembly plant. This is in spite of an announcement by Ford last October promising a \$1.1 billion investment in Claycomo and an addition of 1600 new jobs. Penske had been serving Ford in Kansas City for over a decade. The first 56 employees slated to lose their jobs will leave by April 27, while the remaining 91 workers would lose their jobs by mid-July. Penske said that the layoffs were a direct result of losing the contract at Claycomo. Another reason is that Ford is shifting the production line of its Escape models to Louisville. Besides Ford, Penske also provides trucking and warehousing services to General Motors and the Kansas City Star. While union sources said that Penske was being replaced by Ceva Logistics, a Ford spokeswoman, Marcy Evans told the media on Tuesday that it was too early to comment upon Penske's replacement. Other local companies are also being affected by production changes in Ford. Excelsior Springs Seating Systems, operated by Magna International has announced that about 190 employees would face temporary layoffs until Ford completes its changes. The temporary layoffs at Excelsior would also begin on April 27. However, things can look up if Ford keeps its promise and brings the F-150 pickup truck expansion and the new Transit van product line to Kansas City in 2013. However, at least for Excelsior, things did not seem so dire as Penske. Tracy Fuerst, a spokeswoman for the owners of Excelsior, Magna International told the media that the facility is expected to resume operations when work begins for Ford Transit and she said, "We expect a number of these employees to be recalled once the customer schedule resumes."

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