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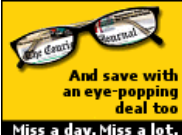
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Louisville Ford plants escape cuts – for now

Workers upset by delay in final details

By Robert Schoenberger
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The Courier-Journal

Ford Motor Co. workers in Louisville will have to wait some more to find out how secure their jobs are.

The automaker's restructuring announcement yesterday identified only five of the 14 plants it plans to close in the next six years. Neither of Ford's two Louisville factories are slated for immediate closure, but with four vehicle assembly plants and five parts plants still on the chopping block, jobs aren't necessarily safe.



Ford Announced plans to close five North American plants. Wixom (Mich.) Assembly plant is closing by 2008. Louisville's plant was not named, but 4 more plants are going to be announced to close by 2012. (Associated Press)

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Wixom, Mich., near Detroit. Parts plants in Canada and Ohio also would close. Ford said it will announce two of the additional assembly plant closures later this year. By 2012, the plan should cut 25,000 to 30,000 jobs.

With St. Louis closing, the Louisville Assembly Plant on Fern Valley Road will be the sole source of the Explorer and Mercury Mountaineer sport utility vehicles. The Mountaineer ends production in St. Louis this week, and the plant will close entirely in early March, Ford spokeswoman Susan Krusel said.

Sales of the Explorer fell sharply last year, but analysts said the SUV should sell well enough for the Louisville Assembly Plant to survive the restructuring.

The Kentucky Truck Plant on Chamberlain Lane makes the F-Series Super Duty pickups, part of Ford's best-selling product line. Ford executives said yesterday that the F-Series line remains vital to the company's future and that they plan to invest more in the vehicle in the coming years.

Mark Fields, Ford's executive vice president in charge of the restructuring plan, said closing plants will reduce the capacity to produce cars and trucks by 1.2 million vehicles, or 26 percent, by the end of 2008.

"We will be making painful sacrifices to protect Ford's heritage and secure our future," Bill Ford Jr., the company's chairman and chief executive, said in a statement.

During a conference call with analysts and reporters, one questioner asked Fields about the "shocking lack of candor" in identifying only a portion of the plant closures.

"We know this causes stress for our employees and communities where we have yet to make our determinations," Fields said. But the company is still working out which facilities to close, he said.

"We're OK for today, but we don't know what the future holds," said Rocky Comito, president of United Auto Workers Local 862, the union that represents about 9,000 Ford workers in Louisville. The company is the area's second-largest private employer, behind United Parcel Service.

Ford's plan would close vehicle plants in St. Louis, Atlanta and

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FORD'S LOUISVILLE TIES

- 1912:** Ford opens a sales and service office on South Third Street.
- 1913:** Assembly operations begin in two small shops at Third and Breckinridge streets. Output reaches 12 Model-T bodies a day.
- 1916:** Production starts in a four-story brick building on South Third Street, where 7,000 vehicles a year are assembled. The plant closes in 1925.
- 1925:** New plant opens at 1400 Southwestern Parkway. It produces 400 cars a day, including the Model T and Model A. V-8 engines and Jeeps are produced during World War II. The plant closes in 1955.
- 1955:** Louisville Assembly Plant opens on Fern Valley Road, assembling all truck models and 16 of 17 body styles that Ford offers.
- 1969:** Truck production moves to the \$100million Kentucky Truck Plant on Chamberlain Lane.
- 1979:** Employment at the Kentucky Truck Plant peaks at 4,400.
- 1987:** 300 jobs are added in a \$260million expansion at the Louisville Assembly Plant to make a newly designed Bronco II.
- 1990:** The first Ford Explorer rolls off the line at the Louisville Assembly Plant.
- 1991:** Slow sales blamed on the recession cause Ford to initiate weeklong shutdowns at the Kentucky Truck Plant while workers at the Louisville Assembly Plant work overtime to make the Explorer — its 1991 sales are up 38 percent.
- 1992:** Ford announces \$650million expansion at the Kentucky Truck Plant to be finished by mid-1995, creating 1,300 jobs.
- 1997:** A major expansion at the Kentucky Truck Plant — to increase production of the best-selling F-Series trucks — adds about 1,000 jobs and an annual payroll of \$50million.
- 2000:** Ford Explorer sales peak at 445,157 vehicles.
- 2002:** Louisville's Ford plants are spared from jobs cuts as part of a massive, companywide restructuring.
- 2004:** Ford announces a \$73million expansion at the Kentucky Truck Plant stamping facility, adding 100 jobs.
- 2005:** The last Excursion is built at the Kentucky Truck Plant; Louisville Assembly Plant shuts for 10 weeks to

That lack of clarity upset union leaders and workers.

"Workers find themselves facing uncertain futures because of management's inability to halt Ford's sliding market share," UAW President Ron Gettelfinger said in a statement. "The announcement has further left a cloud hanging over the entire work force."

Greg Weathers, a six-year employee at the Louisville Assembly Plant, said he is still worried that his factory could close.

"We all know that gas prices are not going down," Weathers said. If Ford doesn't adapt the Explorer to make it more fuel efficient, he said, "We could be next." Technically, Ford cannot close plants without the union's permission, but it can stop work and lay off all workers. Employees then enter a job bank, collecting unemployment insurance and extra payments from Ford. Ending those payments to laid-off workers will be an item for negotiation when Ford's contract with the UAW ends next year.

"Certainly, (yesterday's) announcement will only make the 2007 negotiations all the more difficult and all the more important," Gettelfinger said.

In addition to being a bargaining chip during union talks, holding out the possibility of closures could spark a bidding war in communities that think their plants are at risk.

In 2002, for example, Ford said it would close the St. Louis plant by 2005 to cut SUV capacity. But in 2003, Missouri officials offered \$9 million in retooling incentives, and union officials fought to keep it open. Ford spared the plant, although it ended one of two shifts there at the beginning of last year.

J.R. Wilhite, commissioner for existing business for the Kentucky Cabinet for Economic Development, said his agency is cautiously optimistic that Ford will bypass Louisville in future plant cuts and that the state is not working on any special incentives to keep the automaker.

Metro Mayor Jerry Abramson said Louisville "dodged a bullet."

"We may have won a battle, but we have a war to fight," Abramson said. Louisville needs to remain vigilant to retain major employers such as Ford, he said.

The city, Abramson said, hopes to remind Ford executives that there are nearly 700 acres near the Louisville Assembly Plant -- in an area that could qualify the company for tax breaks -- that could be used for plant expansion.

Catherine Madden, an analyst with Global Insight in suburban Boston, said Ford could be fishing for new incentives from states and cities. But if so, she called it a bad strategy.

"Incentives buy you a one-shift facility that's still in trouble because it's making a product that isn't selling," Madden said.

She also criticized Ford's lack of details.

"It's going to be painful no matter what," Madden said. "I can't imagine that there's any lessening of the magnitude or lessening of the pain by stretching this out."

By comparison, she said, GM's June restructuring plan cut more jobs more quickly, and the company announced it with only a few weeks' notice. Ford has been discussing its plans since early last fall.

Reporter Robert Schoenberger can be reached at (502) 582-4669.

Staff writers Sheldon S. Shafer and Joseph Gerth contributed to this story.

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