

## **Miss. Governor, Senators Shopping For A Ford**

Chris Blank, Associated Press Writer

JEFFERSON CITY, Mo. (AP) — Missouri Gov. Jay Nixon is shopping for a Ford.

The governor ordered lawmakers back for a special session starting Thursday to consider millions in tax incentives and pension plan changes to entice the automaker to keep its Kansas City-area plant producing.

The union at the Claycomo plant, which employs 3,700 people, fears that without the tax breaks, Ford Motor Co. won't give the factory another vehicle to build if it stops making Ford Escapes next year.

Claycomo also makes the Escape's twin, the Mercury Mariner, but Ford is eliminating the Mercury brand later this year. It builds the Ford F-150 pickup truck as well, but Escape-Mariner production employs the bulk of the workers.

The United Auto Workers Local 249 said on its website that Ford is moving Escape production to a plant in Kentucky, which is being set up to make vehicles off Ford's global compact car underpinnings. Ford has not said which products will go to the Louisville Assembly Plant, nor has it officially said that Escape production will end next year at Claycomo.

A person briefed on Ford's plans said no final decisions have been made on where to produce a new version of the Escape. The person spoke on condition of anonymity because the plans have not been made public.

The union local president did not immediately respond to a message Friday.

Ford's decision likely depends on the outcome of the proposed tax breaks, as well as local and national contract negotiations with the UAW. The union's national contract with Ford and the other Detroit automakers expires next year, and Ford is likely to be the first to bargain with the union and set the pattern for Chrysler Group LLC and General Motors Co.

Missouri's proposed tax incentives would allow manufacturers to keep half their state employee withholding taxes if they invest in factory improvements for new product lines. Suppliers would get additional incentives. The program would be capped at \$15 million annually, though earlier drafts of the plan have limited any single company to \$10 million annually.

To offset the cost, Nixon wants to revamp Missouri's employee retirement system by requiring new employees to start contributing around 4 percent of their pay and delaying their retirement.

A special legislative session will cost Missouri about \$125,000 for each five-day

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work week, according to Nixon's budget office.

On Thursday, Nixon announced \$300 million of reductions in state general revenue expenses, including sizable cuts to college scholarships and public school busing. But he said the incentives for Ford are needed for Missouri to compete for future auto jobs.

"Investing in the future of Missouri's automotive industry meets that important standard, and it would provide a solid return on investment," Nixon said.

House Speaker Ron Richard, R-Joplin, said he does not know whether there are enough votes to approve the retirement changes. He predicted the Ford incentives would be an easier sell.

Sen. Luann Ridgeway, whose district includes the Claycomo plant, said the incentives package is necessary.

"It makes it exceedingly more difficult to reach out to Ford and say please spend hundreds of millions of dollars investing in a 1950s plant when Missouri does nothing," said Ridgeway, R-Smithville.

Critics contend that Missouri cannot afford to spend so much to keep one company, and say it is unfair for future state workers to pick up the tab of the tax breaks.

"At a time when the state is struggling to provide for the welfare of its citizens, Missouri should not make the welfare of a profitable corporation a higher priority, especially when there is no guarantee Ford will keep its jobs in Missouri," said Rep. Jamilah Nasheed, D-St. Louis.

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