

GM spending \$760M to convert Toledo factory to make EV parts

September 23 2022, by TOM KRISHER



The exterior of the General Motors Toledo Transmission Operations facility is shown in Toledo, Ohio, Tuesday, Feb. 2, 2021. General Motors says it will spend \$760 million to renovate its transmission factory in Toledo, so it can build drive lines for electric vehicles. Credit: AP Photo/Paul Sancya, File

General Motors says it will spend \$760 million to renovate its transmission factory in Toledo, Ohio, so it can build drive lines for electric vehicles.

It's the first GM engine or transmission plant to begin the long transition from internal combustion engines to electric vehicles. The company has a goal of making only electric passenger vehicles by 2035.

The move will keep the jobs of about 1,500 hourly and salaried workers at the Toledo plant, which now makes four transmissions used in pickup trucks and many other GM internal combustion vehicles. No new hiring is expected.

"This investment helps build job security for our Toledo team for years to come, and is the next step on our journey to an all-electric future," Gerald Johnson, executive vice president of global manufacturing for GM, said in a statement Friday.

Electric drive lines take power from the batteries and convert it to motion at the wheels.

The 2.8 million-square-foot Toledo plant, built in 1956, will make drive lines for future electric trucks including the Chevrolet Silverado and GMC Sierra pickups, along with GMC Hummer EVs.

The announcement Friday at the plant is good news for the workers in Toledo, who have worried about the future of their plant. GM employs about 10,000 workers at engine and transmission factories across the U.S., and their futures are uncertain as the switch to electric vehicles picks up momentum.

"Of course there's always worry," said Jeff King, shop chairman for the United Auto Workers union local at the plant. "I think it reflects on the workforce that we have here, the quality of product that we build."

Most workers gathered for the announcement Friday were happy to hear details that their plant would live on.

"This is great news for our individual plant because we're going to get a new product," said worker Kim Hunter Jones of Adrian, Michigan. But she said she's concerned about workers at other GM engine and transmission plants that don't yet have assurances that they'll build electric-vehicle components.

GM's Johnson, though, said the company wants to bring all of its employees along during the transition. "Our goal is to make sure everybody who is with General Motors today has an opportunity to move into the all-EV future," he said.

Another worker, Patrice Harris of Toledo, said the announcement means she won't have to move from her hometown. Other GM workers have been forced to move when their plants closed or didn't get new products to make.

"It's a big deal for me because that means I still have work," she said. "I'm born and raised. I don't want to relocate."

Johnson said he suspects the \$760 million investment will qualify for some tax incentives in the Inflation Reduction Act, but said that hasn't been worked out yet.

GM says the factory will continue to make transmissions for internal combustion vehicles, as it gradually switches to electric drive lines. Work on the renovation will start this month, with EV component production beginning early in 2024, Johnson said.

GM CEO Mary Barra has pledged to unseat Tesla as the top seller of EVs by the middle of this decade.

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