

City seeking auto plant to fill void Vehicle jobs have dried up in area over past decade

By Mike Pare - Chattanooga Times Free Press

While Enterprise South Industrial Park is touted by city officials as a site for a new auto assembly plant, the Chattanooga area has lost thousands of automotive jobs in the past decade.

Even as the city positions the 1,200-acre industrial park to hold a possible vehicle assembly plant by firms such as Daimler-Chrysler, Audi or Kia, more than 2,000 automotive jobs have vanished in the Chattanooga area in the period.

The latest casualty is a brake plant in Cleveland, Tenn., that will be shut down this year and idle 174 workers after more than 40 years of operation.

"We knew this was coming. Business was gradually lost," said Carlton Deal, a 22-year employee of the Cleveland Honeywell International plant and president of Local 1676 of the United Auto Workers.

Wheland Automotive Industries in Chattanooga closed in late 2002, throwing about 1,200 employees out of work. A decade ago, the business had about 1,600 workers.

Dura Automotive Systems in Pikeville, Tenn., shuttered its doors last summer. At its peak, the company employed almost 500 people.

Still, the news isn't all bad. Several auto suppliers have opened in the region or expanded existing plants, helping to replenish some of the lost jobs. For example, Tennessee Rand in Chattanooga services automotive clients and has grown to about 200 workers. Nissin Brake in Rock Spring, Ga., opened about four years ago and employs 80 workers as it sells equipment to Honda's Lincoln, Ala., plant.

Sixty miles away in Decherd, Tenn., a powertrain facility that serves Nissan's assembly plant outside Murfreesboro is undergoing a big expansion.

ON SHORT LIST Chattanooga is reported to be on a short list of sites under consideration by an automaker looking at building a new assembly plant.

While speculation centers on a European nameplate such as DaimlerChrysler or Audi, car companies Kia and Toyota are thought to be considering North American plants as well.

Tracts near Athens, Ala., and in South Carolina are considered on the list with Chattanooga's Enterprise South.

Just last week, Georgia economic development officials said DaimlerChrysler is no longer interested in building a plant near Savannah, which was seen by observers as that automaker's first choice for a new facility in the region.

Experts said the auto business has a history of ups and downs.

"The auto industry goes in cycles," said Trevor Hamilton, the Chattanooga Area Chamber of Commerce's vice president for economic development.

The South has landed a half dozen assembly plants and scores of suppliers in the past decade, though Chattanooga hasn't gained as much as officials have hoped.

While Enterprise South is pitched as an attractive location for an assembly plant, the Chamber isn't limiting itself to just that use, he said.

"We're not putting all our eggs in one basket. We've got other industry we're pursuing," Mr. Hamilton said.

He said the acquisition of 1,787 acres to go with Enterprise South opens up more opportunities for medium and small companies.

"We've got a dual marketing strategy," Mr. Hamilton said.

J.Ed. Marston, the Chamber's marketing vice president, said if the right company came along, the city's economic developers might consider splitting the industrial park.

"The real goal is high-paying jobs. Automotive is one route to the goal," he said.

MEGASITE PUSH Still, the Chamber is pushing for Enterprise South to gain certification as a TVA megasite, which designates it ready for use by an auto company.

Ed McCallum of consulting engineering firm McCallum Sweeney, which is overseeing the megasite process for TVA, said he had been looking forward to the official conveyance of the 1,787 acres from the federal government to the city and Hamilton County. Enterprise South is "very close" to achieving certification, making it the only megasite in Tennessee, Mr.

McCallum said.

"There's no reason why (it) can't compete," he said.

One nonland factor that makes the city attractive to auto-makers is its labor pool, Mr. Mc-Callum said. He said there are no automakers currently in the area which would compete with an assembly plant in terms of labor.

Mr. Hamilton, who was at a Detroit auto conference last week, added that a labor pool is critical when it concerns a vehicle assembly operation.

"There exist some readymade skill sets in the community in manufacturing," he said.

While Hamilton County's unemployment rate is just 3.5 percent, businesses draw from a pool of 18 surrounding counties, said the official.

Jim Owen, who manages the Nissin plant in Rock Spring, said it utilizes nearby Northwestern Technical College to help train workers.

"It's willing to help us structure programs at the school," he said.

One local company that hopes to see more auto-related business is East Tech Co., which does custom tooling design and computerized numerical manufacturing.

Company President Roger Layne said it does work for Morse Automotive in Cartersville, Ga.

With Honeywell planning to close its Cleveland plant, Morse could take on extra business, he said.

Noe Gaytan, senior labor and human resource manager at the Cleveland plant, said its production volumes dropped over the years, in part due to overseas competition. In addition, the business isn't considered a core one for Honeywell, he said.

"This plant stayed in existence much longer than a lot of people anticipated," said Mr. Gaytan.

Mr. Deal said there's no easy way to transition the work force into closing the plant.

"We're trying to help all of them best we can," he said.



Photo by Lido Vizzutti Manual machinist Travis Shell works on the fabrication of metal pieces at East Tech Co. that will be used to cut rubber in the automotive industry.