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September 24, 2024

Carlos Tavares
Chief Executive Officer
Stellantis North America
1000 Chrysler Drive
Auburn Hill, MI 48326

Dear Mr. Tavares:

We have grave concerns regarding recent actions and reactions in the automotive industry that threaten both Michigan's economy and the livelihoods of our world-class workforce.

On August 10th of this year, Stellantis announced it would lay off 2,450 workers — an entire shift — at the Ram 1500 Classic assembly plant in Warren, MI. Unfortunately, this is not an isolated case but part of a broader trend. Michigan has been hemorrhaging automotive jobs for decades, with employment in the state's auto plants, parts factories, and corporate offices shrinking by 35% since 1990. This decline has been driven by jobs moving to Mexico due to NAFTA, and to southern states like South Carolina, Texas, Alabama, Mississippi, Tennessee, and Georgia; which offer more favorable tax, tort, and regulatory environments for investors, businesses, workers and taxpayers to share benefit.

The recent tailpipe emissions standard rule from the Biden-Harris Administration's Environmental Protection Agency (EPA) threatens to exacerbate Michigan's economic decline. The rule mandates that 67% of consumer vehicles sold by American automotive companies be electric by 2032, which will further worsen economic uncertainty in Michigan's leading industry, putting our state's future in jeopardy – regardless of whether automakers are even able to comply.

As you likely know, the automotive industry accounts for over 50% of Michigan's GDP. It employs hundreds of thousands of workers across the state, many of whom are third- or fourth-generation auto workers. These jobs are not just part of Michigan's heritage; they are the backbone of our economy. Furthermore, our auto industry is crucial for suppliers and dealers who are already facing layoffs and other unsustainable cost pressures. Many would be forced into bankruptcy or into predatory sales as the negative result of the EPA's new tailpipe emissions rule. Beyond the auto industry and its suppliers, these broken policies would also have a resoundingly negative impact on non-automotive industries in our state. Biden Harris regulatory overreach in the auto sector also threatens small businesses in adjacent and complementary sectors. This including restaurants and bars like the Motor City Sports Bar and Grill in Warren, MI that are now at increased risk of its own layoffs and permanent closure. The automotive

industry is central to every Michigan community. Its decline will lead to a severe economic downturn in our region.

Stellantis is not the only automotive company that has been forced to make difficult decisions. General Motors and Ford have also made similar announcements on phasing out their assembly line shifts in the heart of the American automotive sector—Michigan. We are aware that Stellantis just announced its plans to invest \$406 million into the Warren, Sterling Heights and Dundee plants. While this is exciting news, PR is no substitute for a believable plan of execution given the current regulatory regime and recent Stellantis behavior.

While we understand that pressure from the Biden-Harris Administration have made it challenging for auto OEMs to act any differently, automotive leaders have a fiduciary responsibility and a moral obligation to speak out against federal overreach by activists in the EPA who would decimate America’s ability to compete and Americans ability to earn a living.

Adding insult to injury, a competing regulatory body, the National Highway Transportation and Safety Administration (NHTSA) has already compelled Stellantis to pay a record setting \$235.5 million for the 2018 and 2019 model years in fuel economy penalties in 2023 and \$156.6 million in penalties for the 2016 and 2017 model years the year prior¹. NHTSA itself estimates that fines for non-compliance for American automakers in the American market alone could eclipse \$14 billion because of the new Biden-Harris mandates.²

Given the gravity of this issue, we are requesting answers to several pertinent questions regarding your actions, and the damage it could do to Michigan:

1. UAW officials state that Warren can maintain a second shift if the plant could accept overflow production of the latest-generation Ram 1500 from Sterling Heights Assembly Plant (SHAP), rather than send that overflow work to Saltillo, MX. Can Stellantis explain why it is more economical to send overflow jobs over 1,500 miles away to Mexico rather than keep them 15 minutes away in Michigan?
2. Of the \$406 million announced in investments to assembly plants in Warren, Dundee, and Sterling Heights, \$97.6 million is committed to Warren. How much of that will be invested in job creation—and how does that compare to the total amount of jobs lost after the announcement of 2,450 layoffs on the Ram 1500 Classic line? Is total workforce at the Warren plant a net gain or loss?
3. Will Stellantis commit to selling vehicles that are not only built by auto workers in our state, but that auto dealers can actually sell in the marketplace?
4. Instability and uncertainty in the American automotive manufacturing sector, caused by regulatory whiplash and market-distorting government actions, such as mandates and tariffs, hinder economic growth and stifle innovation. While Stellantis has stated it wants to make a full transition to producing electric cars by 2030, you stated last year: “what is

¹ <https://www.reuters.com/business/autos-transportation/chrysler-parent-stellantis-paid-1907-million-us-fuel-economy-penalties-2024-07-19/#:~:text=The%20Italian%2DAmerican%20automaker%20in,2016%20and%202017%20model%20years.>

² <https://www.reuters.com/business/autos-transportation/automakers-warn-biden-vehicle-rules-not-feasible-could-cost-14-bln-fines-2023-09-29/>

clear is that electrification is a technology chosen by politicians, not by industry³.” Is this still your position? If so or if not, what federal policies coming out of Washington, D.C. are most detrimental to keeping American automotive manufacturing jobs in America?

5. At the Bernstein Strategic Directions Conference, you stated that "you are going to see a huge shift of the supplier base. The sourcing will move from the Western world to the best-cost countries." You added, "the EV race has become a cost cutting race."⁴ Given that EV production costs are 40% to 50% higher, at the same price as equivalent petrol models—while EVs require 30% to 40%⁵ less workforce to manufacture than vehicles with an internal combustion engine—is this the reason for the attempt to change Stellantis Global Terms and Conditions back in 2021 and more recent rash of lawsuits levied at and by Stellantis?⁶⁷
6. Stellantis has massive cost centers, not the least of which is its North American headquarters in Auburn Hills, MI. Has any company such as BYD, with ties to foreign entities of concern⁸ made any overtures to you or to any of your domestic or global colleagues or affiliates to offset Stellantis costs by buying any of its real estate, assets, properties or key brands in order to increase their own North American and American market shares, and sidestepping manufacturing origin requirements?

We are requesting answers to these questions within seven days of delivery of this letter, given this is a sink-or-swim moment for our state and our domestic auto industry. The actions taken by the Biden/Harris Administration will result in the cratering of Michigan’s economy, and the continued evaporation of Michigan’s working-class. That is something we will not allow to happen as servant representatives of the great state of Michigan and its citizens.

Sincerely,

³ <https://www.politico.eu/list/politico-28-class-of-2023/carlos-tavares/>

⁴ <https://www.reuters.com/business/autos-transportation/ev-transition-be-significant-burden-auto-suppliers-stellantis-ceo-says-2024-05-29/>

⁵ <https://www.cnn.com/2023/10/06/business/electric-car-manufacturing-cost-jobs/index.html#:~:text=A%20commonly%20repeated%20estimate%20is,vehicles%20have%20been%20greatly%20overstated.>

⁶ <https://www.kxan.com/business/press-releases/accesswire/914300/stellantis-nv-is-being-sued-for-securities-law-violations-and-the-schall-law-firm-wants-affected-shareholders-to-reach-out/#:~:text=>

⁷ <https://www.carscoops.com/2024/07/stellantis-sues-a-fourth-supplier-over-price-increases/>

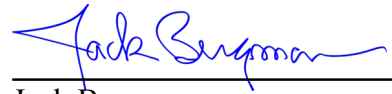
⁸ Insert definition of EoC here. Generally recognized as China, Russia, North Korea and Iran. Increasingly Oil-rich nations such as Qatar, UAE and Saudi Arabia are buying up American properties without reasonable safeguard for American economy or national security.



John James
Member of Congress



Bill Huizenga
Member of Congress



Jack Bergman
Member of Congress