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United States Senate

WASHINGTON, DC 20510 - 3505
January 27, 2020

Troy Clarke
CEO
Navistar International Corporation
2701 Navistar Drive
Lisle, Illinois 60532

Dear Mr. Clarke:

I am writing to express concern about the layoff of approximately 300 workers from the Navistar Springfield, Ohio, plant and the news that the production of trucks meant for the United States Postal Service (USPS) has been shifted from the Springfield plant to a plant in Mexico. Navistar employees and the entire community are concerned that these layoffs may be an indication of Navistar's lack of commitment to Springfield.

Workers at the Springfield plant recently informed my office that last fall they were no longer making USPS trucks that were typically made at the facility. Instead, the USPS trucks were being assembled at Navistar's plant in Escobedo, Mexico, and the Springfield workers sent down USPS decals for the Mexican facility to affix to the trucks. In response to this news, my office contacted your company and the USPS to determine why the truck production was offshored. Your company stated that the reason for the shift in production to Mexico was because of the General Motors strike, which had disrupted the supply chain. In response to my inquiry, the USPS emailed my office that Navistar had a contract to produce tractor trucks for the USPS and that "only 590" of those tractors would be produced in Mexico to ensure the company could meet the Postal Service's delivery deadline. USPS also stated that the contract is for 1,579 tractors and that "the balance before and after will be satisfied as planned from the Ohio facility."

In discussions with employees at the Springfield plant, my office learned that the workers believe approximately half of the USPS tractor order has been assembled in Springfield; 30 percent has already been assembled in Mexico; and the remaining 20 percent is scheduled to be produced in Mexico. This is different than the information I received from the USPS, and it suggests that Navistar could have returned production of the USPS trucks to Springfield after the GM strike but chose not to.

I am particularly concerned about the decision to offshore the USPS tractor production in light of the company's decision to lay off 300 Springfield workers since September 2019, including 100 just last week. I request your responses to the following questions to help me better understand Navistar's decision-making with respect to Springfield and the company's long-term commitment to that facility:

- 1) How many tractor trucks is Navistar contracted to supply to the USPS? How many of have been delivered to the USPS and how many have yet to be delivered?

- 2) By what date is Navistar obligated to provide the remaining tractor trucks to the USPS? Did Navistar request from USPS a delay in the delivery date for the tractor trucks in light of the GM strike? If not, why not?
- 3) How many of the tractor trucks produced to date were assembled in Springfield? How many in Escobedo, Mexico? If this number is different than the 590 number provided by USPS, please explain the difference?
- 4) How many of the remaining tractor trucks will be built in Mexico and how many will be built in Springfield? If any of the remaining tractor trucks will be built in Mexico, please explain why USPS believed only 590 would be built at the Mexico facility?
- 5) Was the company's decision to offshore production of the USPS tractor truck a result of the GM strike? Were there any other factors that contributed to the decision?
- 6) If the GM strike was the reason for the decision to offshore production of the USPS tractor truck to Mexico, why did Navistar decide to move assembly to Mexico instead of shipping the necessary parts to the Springfield plant?
- 7) After the GM strike ended, were any USPS tractor trucks assembled at the Springfield facility?
- 8) Were any of the recent layoffs attributable to the decision to offshore the USPS tractor truck assembly work to Mexico? What long-term impact do you expect this USPS contract to have on employment levels at Springfield?
- 9) If other factors contributed to the recent layoffs, please identify those factors.
- 10) Is Navistar committed long-term to its Springfield facility? If so, how does it plan to convey that commitment to the plant employees and the community?

Thank you in advance for your consideration of this letter. I ask that you respond in writing by February 14th to ensure the workers and the community get prompt answers to their questions about the recent layoffs, offshored production, and Navistar's long-term commitment to the Springfield plant.

Sincerely,



Sherrod Brown
United States Senator