

United States Senate

WASHINGTON, DC 20510

December 8, 2023

Mr. Carlos Tavares
Chief Executive Officer
Stellantis N.V.
U.S. Headquarters
1000 Chrysler Drive
Auburn Hills, MI 48326

Dear Mr. Tavares,

Yesterday I received an official notice that Stellantis would be “modifying the operating pattern” at the Toledo Assembly Complex and laying off up to 1,200 workers. I want to understand why you made this decision, how you intend to implement it, and what (if anything) might be done to fix it.

News of mass layoffs is normally surprising, but yesterday’s news was unusually so. Stellantis, by all accounts, is doing very well. You recorded \$12.1 billion in profits during the first half of 2023 alone—up 37 percent from the year before.¹ The recent United Autoworkers strike does not appear to have set the company back. According to your Chief Financial Officer, Natalie Knight, Stellantis weathered the strike better than your unionized competitors.² In fact, third quarter revenue rose by 7 percent³, and the STLA share price is up 17 percent since the strike began.⁴ Now you are conducting the “third tranche” of a major, \$1.6 billion share buyback program.⁵ This is hardly a case of a company falling on hard times.

The notice cited California Air Resources Board (CARB) to justify the layoffs. It explained that the decision reflected “the need to balance our production to accommodate the less efficient state-by-state allocation strategy required by the CARB [California Air Resources Board] standards.”⁶ Regulatory burdens can, of course, play a major role in business decisions. Even so, I am surprised that emissions standards would be a challenge for Stellantis given how much emphasis the company has placed on sustainability in recent years⁷ and how much it plans to

¹ Stellantis N.V., “First Half 2023 Results,” [Press Release](#) (July 26, 2023).

² Giulio Piovaccari and Gilles Guillaume, “Stellantis says it is least affected by North America strikes among Detroit Three,” [Reuters](#) (October 31, 2023).

³ Stellantis N.V., “Third Quarter 2023 Shipments and Revenues,” [Press Release](#) (October 31, 2023).

⁴ “Stellantis N.V.,” [MarketWatch](#) (accessed December 7, 2023).

⁵ Stellantis N.V., “Stellantis Announces Launch of Third Tranche of its Share Buyback Program,” [Press Release](#) (September 11, 2023).

⁶ Stellantis N.V., “Shift Reduction Communications Package” (December 5, 2023).

⁷ Stellantis N.V., “A New Era of Sustainable Mobility,” [Stellantis CSR Vision](#) (accessed December 7, 2023).

invest to meet its own net-zero emissions goals.⁸ It makes little sense that compliance with a four-year-old California regulation should require a plant in Ohio to cut a fifth of its workers.

I'd like to understand how you reached this conclusion, and I am most interested in your response to the following questions:

- How does compliance the CARB emissions standards affect production at the Toledo Assembly Complex? How will compliance affect production decisions and allocation strategies going forward?
- How have actions by the Department of Transportation and the Environmental Protection Agency exacerbated the difficulty of complying with CARB standards?
- Did you consider alternatives to the announced changes in the plant's operations? If so, what were they and how would they implicate employment at the facility?
- How does Stellantis intend to respond to evolving regulatory environment regarding automobile emissions? Do you intend to relocate production outside of Ohio? Outside of the United States?
- How does Stellantis intend to support the workers who will be laid off? Will the company offer severance or other financial assistance to these workers? Will it provide them with job search and transition support services?

I visited your Toledo facility back in October and met with some of your workers there. They are decent, hardworking people. I heard their stories of frustration and financial hardship—of parents who couldn't afford soccer cleats for their kids and linemen who couldn't replace their broken-down cars. These are the people who make Stellantis the success that it is. Though they had reason to be angry with you and your management team, I did not hear vitriol directed at you. Instead, I heard a just desire to share in your success and get a fair shake. I ask these questions on their behalf and trust that you will answer them fully and promptly.

Thank you for your cooperation.

Sincerely,



JD VANCE
United States Senator

⁸ Stellantis N.V., “An Ambitious Decarbonization Strategy,” [Stellantis](#) (accessed December 7, 2023).

CC:

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Chief Operating Officer, North America

Antonio Filosa
Brand Chief Executive Officer, Jeep