

# GM selling stake in uncompleted EV battery factory in Lansing, Michigan

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10 December 2024

Last week General Motors announced it had reached a nonbinding agreement to sell its stake in the Ultium Cells battery plant in Lansing, Michigan to its joint venture partner, LG Energy Solutions of South Korea. The announcement came after GM sunk approximately \$1 billion into the production facility. The Lansing battery plant was one of three that GM planned to operate as part of its Ultium Cells joint venture.

With this sale, the automaker says it is strategically adjusting its commitment to production capacity and cutting costs. The Lansing plant is approximately 2.8 million square feet and still under construction. It currently employs around 100 people.

General Motors had received \$666 million in taxpayer funds from Michigan's Strategic Outreach and Attraction Reserve for the Lansing battery plant and for electric truck production at its Lake Orion, Michigan Assembly Plant. GM had claimed the Lansing battery plant would create 1,700 jobs.

The United Auto Workers, working in conjunction with the Big Three automakers, is seeking to organize these joint ventures, such as Ultium Cells, as well as the Stellantis/Samsung SDI operation in Kokomo, as a way to offset losses in dues income. With the assistance of the UAW, the automakers are recruiting recently laid off autoworkers for the battery plants.

The Lansing battery plant was originally expected to open this year, but the start date is now uncertain, leaving workers in the dark about their future. GM has stated that its joint venture factories in Warren, Ohio, and Spring Hill, Tennessee, can produce enough batteries to supply its electric vehicle plants, and it does not need the Lansing operation.

The announcement by GM comes amid uncertainty about the future of EV battery production and consumer tax credits nationwide. President-elect Trump's

transition team has stated that it "wants to kill" the \$7,500 consumer tax credit for electric vehicle purchases.

Repealing this subsidy, which was a signature component of the Biden administration's so-called Inflation Reduction Act (IRA) of 2022, is already being discussed in meetings by Trump's energy policy transition team led by Harold Hamm, the billionaire representative of the oil and gas industry. The incoming administration's energy policy group has reportedly met several times since Trump's election victory.

The IRA was touted as a "historic" win for working people. However, this was empty posturing. As noted by the WSWs at the time, the act was passed only after it was purged of any significant social reform measures, restrictions on greenhouse gas emissions or corporate tax hikes.

The \$7,500 tax credit, used to subsidize the purchase of electric vehicles, is restricted to a few car models and has so many rules and stipulations that many lower income and poor workers would be unable to qualify.

In another announcement also issued on Monday, GM stated that it has reached an agreement with LG to jointly develop prismatic battery cells for electric vehicles. These rectangular cells can store more energy while reducing the battery's size and cutting the weight and cost when compared to pouch cells that are currently being produced at GM. The use of prismatic cells can also simplify manufacturing by reducing the number of modules and mechanical components, which has the potential to change production and reduce the number of workers that need to be involved in the process.

As the WSWs has frequently noted, former Stellantis CEO Carlos Tavares acknowledged that the struggle of European and US-based automakers against the better

equipped and lower-cost Chinese EV producers is a “Darwinian” struggle with the potential to leave only a handful of global automakers standing.

Tavares was forced to resign from Stellantis for his perceived failure to cut costs quickly enough for Wall Street and European investors. UAW President Shawn Fain had accused Tavares of “mismanagement,” but this complaint only exposes the identification of interests of the union apparatus with that of the company. For the UAW leadership the primary concern is not defending jobs, wages and working conditions but making the auto industry more cost effective and efficient. Fain is currently touting Tavares’ resignation as a win for workers, but what the Tavares departure signifies is a move toward even deeper collaboration between the union bureaucracies and the company to further job cuts.

GM’s sale of its stake in the Lansing EV Plant and the additional development of prismatic batteries are cost-cutting measures aimed at maintaining a competitive market position under the incoming Trump administration. Trump’s plans to eliminate the EV subsidy takes place under conditions of a global jobs bloodbath in the auto industry.

GM’s announcement places a significant question mark over the 1,700 jobs that had previously been slated for the Lansing battery plant. As of this writing, the UAW has not briefed workers about the potential impact.

Even if the plant does create the claimed 1,700 jobs, it is unclear what kind of conditions workers will face once the plant opens. Reports from the recently opened StarPlus Energy battery plant in Kokomo, Indiana, show the serious safety risks associated with work at EV battery plants. The Stellantis Kokomo Rank-and-File Committee has brought to light issues facing workers in these plants, highlighting abuse of workers and hazardous working conditions. This has included a series of fires, large numbers of injuries and management harassment.

Workers at the GM Lansing Delta Assembly Plant location, who spoke with reporters from the WSWS *Autoworker Newsletter*, said they had heard nothing from the union about GM’s exit from the Lansing battery joint venture. One high seniority worker stated, “I didn’t know about the [battery plant]. I know some of our temps here were laid off, we had close to 60 [laid

off] last month.”

In a statement from October 7, 2023, the GM Lansing Workers Rank-and-File Committee called on workers to reject all layoffs, stating, “The layoffs are used to increase GM’s profit while putting more work on our backs. That’s what is planned with the EV transition. If not in the control of workers, this will be a bloodbath.”

This assessment has proven correct, with a continuing wave of auto layoffs, including the recent firing of 1,000 mainly salaried workers by GM and the announcement by Ford of another 4,000 job cuts in Europe. Nearly 4,000 Stellantis workers have been laid off in the US since September.

To organize a fight against the ongoing assault on jobs, workers must take the initiative themselves by establishing rank-and-file committees in every workplace to begin the struggle to transfer power from the union bureaucracies to the workers on the shop floor. Under the direction of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), rank-and-file committees are being formed in factories and workplaces around the world to wage a coordinated fight against the transnational corporations.

*To learn more about rank-and-file committees, fill out form below.*



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