



Volvo to bring jobs to Shippensburg

By MARCUS RAUHUT Staff writer

Volvo Construction Equipment plans to move the majority of its motor grader production from Ontario, Canada, to Shippensburg, the company announced Tuesday.

The Goderich, Ontario, plant employs about 500 people, but Volvo did not say how many jobs Shippensburg stands to gain.

"It's far too early to say," Beatrice Cardon, spokesperson for Volvo Construction Equipment, said. "There are 500 jobs here in Goderich, but 500 are not moving to Shippensburg. The economic reason for which production will be moved to Shippensburg is to find synergy, so you can assume there will be new jobs, but we cannot tell you how many or when."

Motor graders are vehicles used primarily in the construction industry to build roads.

Volvo said in a news release Tuesday the decision to consolidate the industrial operations for road machinery in North America to Shippensburg was made to improve competitiveness and profitability of the total road machinery business.

The Goderich central parts warehouse will be relocated to the Volvo Parts warehouse in Columbus, Ohio. Some of the production also will

be moved to Brazil, Cardon said.

The moves will take place in various phases and are expected to be complete by 2010.

Volvo Construction Equipment acquired the road machinery unit of Ingersoll Rand, which included the Shippensburg plant, in 2007. Volvo, the sixth-largest employer in Franklin County, currently employs about 774 in Shippensburg.

"Volvo is one of the leading employers in the area, and we think there will be employment growth over the next several years. I would be shocked if that didn't happen," said L. Michael Ross, president of the Franklin County Area Development Corp. "Since acquiring Ingersoll Rand, they are bringing a new corporate culture to the operation, and they are looking at every opportunity to invest in and grow the Shippensburg location."

The Shippensburg facility will need to be expanded to accommodate the motor graders production, Cardon said. Southampton Township reviewed Volvo's request earlier this month to rezone a parcel of land, according to township supervisor Sam Cressler. The township is expected to take action on the request on Oct. 14.

The relocation is expected to cost \$45 million, which will be recorded in the third quarter of 2008.

Bill Law, a Volvo Construction Equipment spokesman at the global headquarters in

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Brussels, told the Associated Press some staff would be offered jobs at the Shippensburg facility, but that it would "ultimately" also lead to some staff cuts. He gave no further details.

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