

Ohio Delegation Urges Labor Secretary to Support National Emergency Grant for Wilmington

National Emergency Grant Would Provide Needed Funds to Wilmington to Respond to Possible DHL Facility Closure

August 25, 2008

WASHINGTON, D.C.— U.S. Senator Sherrod Brown (D-OH) today led an Ohio congressional delegation letter in support of Ohio's initial application for a national emergency grant (NEG) to support Southwestern Ohio if DHL closes its Wilmington facility.

“Should the Wilmington Air Park close or significantly reduce operations, the loss of jobs would be devastating to the regional economy. Communities will require substantial government assistance to recover,” wrote the 14 Members of Congress in a letter sent today to Elaine Chao, Secretary of the U.S. Department of Labor. “We are committed to serving the workers, families, and businesses in the region with prompt and aggressive support to keep Ohio competitive and build on our strengths.”

The Ohio Department of Job and Family Services filed an initial grant application of \$6.7 million earlier this month. Grants are awarded by the Labor Secretary to expand job and skills training capacity in response to significant events that create new and urgent needs for assistance.

Brown, along with federal, state, and local officials, is working to save more than 8,000 area jobs that would be lost if Deutsche Post World Net, the parent company of DHL, finalizes a deal with competitor UPS. Last month, Brown convened a meeting with Sandy Baruah, Assistant Secretary of Commerce for Economic Development, on the DHL proposal. In the meeting, Brown and Senator George V. Voinovich stressed the magnitude of the situation and ways to prevent job loss. They also raised the anti-trust implications of the DHL proposal and requested that the Economic Development Agency assign staff to work on-the-ground in Wilmington. Baruah committed to assigning a full-time employee to work in Wilmington.

A full copy of the delegation letter is below:

August 25, 2008
The Honorable Elaine Chao
Secretary
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Dear Secretary Chao,

As members of the Ohio Congressional delegation, we are writing in strong support of the State of Ohio's application to the U.S. Department of Labor (DOL) for a National Emergency Grant (NEG) aimed to assist in the economic recovery from a possible facility closure in Wilmington, Ohio.

On May 28, Deutsche Post World Net announced a plan to restructure its U.S. subsidiary, DHL U.S. Express (DHL). In this endeavor, DHL will contract with UPS for airlift capacity and ground infrastructure, which could close the doors of DHL's main North American sorting facility in Wilmington, Ohio. If DHL and UPS consummate an agreement, it will likely result in the loss of up to 8,000 jobs at the Wilmington Air Park. In addition, using a standard multiplier to measure the other effects, Wilmington and the surrounding areas could lose an additional three or four indirect jobs for each direct job lost at Wilmington Air Park.

Should the Wilmington Air Park close or significantly reduce operations, the loss of jobs would be devastating to the regional economy. Communities will require substantial government assistance to recover. Additionally, we understand that the state also intends to submit a separate NEG to assist with the announced closure of the General Motors facility in nearby Moraine, Ohio.

At the Wilmington Air Park, DHL Express partners with ABX and ASTAR which employ the majority of workers at the facility. The Clinton County Administrator of Economic Development has reported that the economic impact from salary loss from ABX Air alone would amount to more than \$150 million in the counties of Adams,

Brown, Clinton, Fayette, and Highland. The Congressional Research Service (CRS) has determined that DHL-related direct layoffs would account for 10 percent of all employment in Clinton County.

Considering the magnitude of the possible layoffs and the uncertainty surrounding the proposed DHL/UPS deal and timeline, the Ohio Department of Jobs and Family Services (ODJFS) is taking a broad regional approach to its NEG submission. Seventeen of Ohio's counties, where the majority of workers live, have projected the need of assistance to be \$38 million. Following the U.S. Department of Labor's recommendation, the Ohio Department of Job and Family Services has submitted an initial NEG of \$6.7 million which will be amended as waves of layoffs occur.

As you learn more of the needs of the affected communities, we ask for your continued assistance. We are committed to serving the workers, families, and businesses in the region with prompt and aggressive support to keep Ohio competitive and build on our strengths.

Thank you for your continued attention to this matter.

Sincerely,

Sherrod Brown George V. Voinovich Michael Turner
United States Senator United States Senator Member of Congress

Tim Ryan Betty Sutton Steve Chabot
Member of Congress Member of Congress Member of Congress

Charlie Wilson Steven C. LaTourette David Hobson
Member of Congress Member of Congress Member of Congress
Zack Space Robert E. Latta Jean Schmidt
Member of Congress Member of Congress Member of Congress
Deborah Pryce Marcy Kaptur
Member of Congress Member of Congress

CC: Karl Zinsmeister, Director, White House Domestic Policy Council

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