

SR-53, As Adopted by Senate, May 14, 2009

Senator Pappageorge offered the following resolution:

Senate Resolution No. 53.

A resolution to express united support for the applications submitted by Michigan companies for United States Department of Energy advanced battery manufacturing grants.

Whereas, Michigan is home to unparalleled expertise and experience in deploying large-scale new manufacturing technologies. Our state, which has borne the full brunt of the transformation taking place in our economy and some of the nation's highest unemployment rates over an extended period, has made a strong commitment to redirecting our capabilities to incorporate the latest generation of battery technology; and

Whereas, Congress included \$2 billion in advanced battery manufacturing grants in the American Recovery and Reinvestment Act (ARRA) to invest in vital homegrown technologies and job creation in a new industry essential to jump-start the development of a U.S. manufacturing base for batteries and to accelerate development and commercialization of reliable, safe, and affordable electric drive vehicle systems. This new grant program is also viewed as a vital component of reducing dependence on foreign fuels, lowering vehicular emissions, and helping vehicle manufacturers meet higher fuel economy standards; and

Whereas, Michigan is uniquely prepared to offer an American-led solution that meets these important goals. While Michigan's auto industry is facing historic challenges, this is also a time of unprecedented opportunity for our highly-skilled workers to take a leadership role in meeting critical national needs. Nine of the world's top original equipment manufacturers (OEMs) and 46 of the top 50 global suppliers have significant investments in our state, much of those now focused on developing the zero or near-zero emission vehicles of the future; and

Whereas, On a bipartisan basis, our state government has taken aggressive action to organize our considerable research, development, and manufacturing assets, including passage of unmatched state-level incentives to further leverage federal advanced energy investments. These incentives include \$700 million in state tax credits for battery pack manufacturing, research and development, engineering, and construction of production-scale battery plants; and

Whereas, Utilizing these tax credits, four companies announced plans last month to invest more than \$1.7 billion to launch advanced battery manufacturing in Michigan:

- Johnson Controls-Saft Advanced Power Solutions (JCS), together with Ford Motor Company;
- LG Chem-Compact Power, together with General Motors;
- KD Advanced Battery Group, a joint venture of Dow Chemical Company, Kokam America, Inc., and Townsend Ventures LLC; and
- A123 Systems, together with Chrysler LLC.

In addition, Michigan is already stimulating second-generation lithium-ion technology development through a Centers of Energy Excellence program, one of which includes the University of Michigan spinout Sakti3, and has formed various alliances with other academic and governmental entities, including Oak Ridge National Laboratory and the U.S. Army Tank-Automotive Research, Development and Engineering Center. These alliances position the United States to take immediate advantage of Michigan's strategic assets to establish the supply chain needed to support cell manufacturers, their suppliers, and vehicle OEMs. This supply chain will allow faster deployment throughout the product life cycle, from battery material development to recycling, reuse, and reclamation; and

Whereas, Establishing a North American battery "center of gravity" in Michigan will significantly improve the federal government's ability to more swiftly meet its ambitious vehicle electrification goals, and it will pay dividends across the industrial Midwest through development of a strong supply chain. The job creation potential in Michigan holds great promise to invigorate our state and enhance the lives of thousands of families. As the department begins its review process, it is clear that our nation needs to get it right the first time in deploying these recovery grant dollars; now, therefore, be it

Resolved by the Senate, That we express united support for the applications submitted by Michigan companies for U.S. Department of Energy advanced battery manufacturing grants. We urge the department to strongly consider the importance of deploying the unmatched abilities and resources being offered by a state that has time and again persevered through regional and national challenges; and be it further

Resolved, That copies of this resolution be transmitted to the United States Department of Energy.