



21st Century Manufacturing Plan

U.S. Senator Debbie Stabenow

"The secret to any successful economy is to have a vibrant manufacturing base. At the end of the day, we must build and grow things in America." – Senator Debbie Stabenow

Senator Stabenow is leading the effort in the Senate to create a 21st century manufacturing strategy that will provide long-term energy solutions, create good-paying manufacturing jobs, and revitalize manufacturing across Michigan and the country.

As a member of the Senate Finance, Energy, Agriculture, and Budget Committees, and as Co-Chair of the bipartisan Manufacturing Caucus, Senator Stabenow has won important victories for Michigan manufacturers.

Good-Paying Manufacturing Jobs in the New Clean Energy Economy

- **Retooling Older Plants for the Future**

In September 2008, Congress funded a new, \$25 billion Advanced Technology Vehicles Manufacturing Incentive Program, authored by Senator Stabenow, which provides \$25 billion in low interest loans to retool older auto plants for the production of advanced technology vehicles.

- **Advanced Energy Manufacturing Tax Credit (48C)**

Companies that domestically manufacture advanced technologies used for the production of renewable energy will receive a manufacturing tax credit of 30% for the cost of investing in facilities and equipment. This credit, included in the Recovery Act, was co-authored by Senator Stabenow. She is now working to expand the tax credit so it can be used for additional manufacturing opportunities.

- **U.S. Production of Advanced Batteries**

The Recovery Act included \$2 billion in grant funding to encourage domestic production of advanced battery technologies, such as lithium ion batteries, hybrid electrical systems, and component and software design. Michigan has taken the lead in creating new battery technology and our state received more than half of the funds designated under this program.

- **Worker Training for Clean Energy Jobs in Michigan**

The Recovery Act included \$500 million for competitive grants to non-profits, private partnerships, and labor unions to assist workers in transitioning to new jobs in renewable energy, advanced technology automobile manufacturing, and other energy industries. The Administration recently announced that they will set aside \$50 million of this funding to aid dislocated workers in auto communities.

Cutting Taxes for Consumers and Businesses to Encourage Investments

- **Cash for Clunkers**

Senator Stabenow led the Senate passage of the Consumer Assistance to Recycle and Save (CARS) Act, more commonly known as "Cash for Clunkers." She built a bipartisan coalition to pass and extend the legislation, which helped move nearly 700,000 cars off dealer lots during August 2009. The program not only reinvigorated the automotive sector, but also helped struggling scrap recyclers and aluminum and steel producers.

- **Stabenow-Hatch American Job Creation and Investment Act**

Many of our manufacturers require assistance to retool and modernize their facilities so they can create jobs and stay competitive globally. The American Jobs and Closing Tax Loopholes Act includes the Stabenow-Hatch provision to allow companies to utilize their existing Alternative Minimum Tax (AMT) credits for up to 10% of new investments in manufacturing facilities and equipment purchased or placed into service during 2010. In today's credit crisis, allowing a refund of previous tax credits is even more important to the future of the industry.

- **Expanded Consumer Tax Credit for Plug-In Electric Vehicles**

As American automakers are rolling out new plug-in electric vehicles, Congress created a new tax credit to help consumers buy these new vehicles. When these vehicles become available, consumers can receive a \$7,500 tax credit toward the purchase of electric vehicles. Senator Stabenow has also written legislation to make this tax credit transferrable, so customers can get their savings up-front.

- **Investments in Energy Efficiency**

The Recovery Act extended for three years the tax credit manufacturing companies receive for producing energy efficient products. In addition, businesses and homeowners who utilize solar, wind, biomass, geothermal, or even small irrigation systems to improve energy efficiency will receive tax credits.

- **Clean Renewable Energy Bonds**

An additional \$1.6 billion for Clean Renewable Energy Bonds (CREBs) was included in the Recovery Act to allow investment in renewable energy facilities.

- **Cellulosic Fuel Tax Credit**

A new tax credit for cellulosic ethanol, passed in the Farm Bill, will help build upon the traditional corn ethanol tax credits for businesses considering investments in Michigan. This will allow Michigan to become a leader in alternative energy by capitalizing on its strengths in agricultural research, forestry and crop production.

Developing the Infrastructure Needed for a 21st Century Manufacturing Economy

- **The Manufacturing Extension Partnership**

As a member of the Senate Budget Committee, Senator Stabenow has made funding for Michigan's six Manufacturing Extension Partnership (MEP) centers a major priority. MEP helps small and medium-sized manufacturers throughout the state with cutting-edge technologies and product innovation to help them thrive in the global economy. Senator Stabenow will continue to champion funding for this vital resource for our manufacturers.

- **Redeveloping Closed Manufacturing Plants**

Senator Stabenow secured increases for grant programs that help local governments revitalize closed manufacturing plants. When manufacturers close their doors, they leave communities with sites that are ripe for redevelopment, but face barriers such as contamination, demolition costs, and aging infrastructure. Redeveloping closed plants and brownfields into new facilities will produce American technology innovation and jobs.

- **Alternative Refueling Stations**

As we transition to clean energy, we need to build the infrastructure to store and distribute clean fuels to customers. The Recovery Act included \$54 million that provides businesses with a 30% to 50% tax credit for property that is used to store or dispense alternative fuel for automobiles.

- **Industrial Technologies Program (ITP):** Senator Stabenow helped secure \$158 million in the Recovery Act to invest in energy-generating and saving technologies that will reduce the energy costs of manufacturing while increasing productivity and growth.

- **Smart Grid and Electric Transmission**

The future of electricity will require a comprehensive Smart Grid/Electric Transmission plan for our country. Smart grid and overall investments to electricity infrastructure improves our access to renewable electricity, encourages energy efficient products and usage, and lowers energy costs for manufacturers and consumers. The Recovery Act included \$11 billion toward this effort.

- **Loan Guarantees for Advanced Biofuels Production**

The 2008 Farm Bill provides \$320 million in loan guarantees for commercialized advanced biofuel production plants. Investing in biofuel production at home helps to reduce our dependence on foreign energy sources and protects jobs in America.

- **CCC Bioenergy Program**

To help advance biofuel producers, the most recent Farm Bill provides incentives for increased use of agriculture commodities (except corn) and agriculture and forestry waste for biofuels. It also provides \$300 million in mandatory funding over the life of the bill, ensuring that our agriculture and manufacturing industries have a role to play in the new green economy.

Leading the Fight for Fair Trade and Open Global Markets

- **The Currency Exchange Rate Oversight Reform Act**

Senator Stabenow led the introduction of a bipartisan bill to penalize countries like China that undervalue their currency to artificially discount their exports sold in the United States. This form of cheating creates an unfair advantage over our products sold here and abroad, costing us jobs. The Currency Exchange Rate Oversight Reform Act will require the U.S. Departments of Treasury and Commerce to take action to support American businesses and workers.

- **China Fair Trade Act**

China has adopted a discriminatory “indigenous innovation policy” that prevents American companies from competing for business with the Chinese government. Because China never signed onto the World Trade Organization’s agreement on government procurement, the United States has no recourse to challenge this policy. Senator Stabenow introduced bipartisan legislation that prevents Chinese companies from selling their products to the U.S. government until China agrees to allow our companies to sell products to their government.

- **Trade Enforcement Priorities Act**

When the federal government issued a 500-page report listing all the barriers that other countries have created to keep American products out, Senator Stabenow introduced legislation that would require the U.S. Trade Representative to identify the most egregious barriers to trade and work to end them. Under the legislation, the Trade Representative would be obliged to resolve those barriers that have the biggest negative impact on U.S. exports and job creation. The bill would also require the Trade Representative, in consultation with other relevant agencies, to focus their efforts on countries with high trade deficits with the U.S. and those that have demonstrated a pattern of unfair trade practices.

- **Legislation Creating Trade Prosecutors and Manufacturing Negotiators**

Senator Stabenow and Senator Lindsey Graham introduced the Trade Enforcement Act, which establishes a Chief Trade Enforcement Officer to help manufacturers who are hurt by illegal trade practices. This trade prosecutor would investigate other countries’ trade violations and recommend the prosecution of cases before the World Trade Organization. The Stabenow-Graham bill would also establish a Chief Manufacturing Negotiator to ensure that the interests of the U.S. manufacturing industry are adequately represented during trade negotiations.

- **President's Export Council**