

**Congress of the United States**  
**Washington, DC 20515**

May 5, 2009

Dr. Ed Montgomery  
Director of Recovery for Auto Workers and Communities  
U.S. Department of Labor  
Frances Perkins Building  
200 Constitution Avenue, NW  
Washington, DC 20210

Dear Ed:

We deeply appreciate the role President Obama gave to you when he designated you as “a new Director of Recovery for Auto Communities and Workers to cut through red tape and ensure that the full resources of our federal government are leveraged to assist the workers, communities, and regions that rely on our auto industry.” Since the President indicated that you would “direct a comprehensive effort that will help lift up the hardest hit areas...,” we wanted to share with you those areas that we feel are of immediate importance to our state. We will stay in touch with you about future opportunities, and each of us individually may be in touch with you about local initiatives that warrant your active support.

Michigan is undergoing an economic transformation never before seen in our lifetimes. This is underscored by the uncertainty of the Chapter 11 proceedings of Chrysler and the revised viability plan of General Motors that envisions a dramatic acceleration of restructuring that will have an immediate and painful impact on Michigan and underscores the urgency of our challenge. The American Recovery and Reinvestment Act (ARRA) provisions expanding unemployment insurance, health care, training, weatherization and education are important first steps for individuals and their families.

We do believe that you, in your unique role as a member of the Auto Task Force and at the Department of Labor, must play an important role in drawing attention to the difficulties experienced throughout the auto sector and the auto communities.

In addition to the work underway for Chrysler-Fiat and General Motors, we ask that you focus on the issues described more fully in the attachment regarding auto suppliers, auto dealers, and auto sales. We also urge that you join us in advocating for a full Federal partnership on the technologies vital to ensure the production of the cars of the future in the U.S.

Our communities are working tirelessly to stabilize local neighborhoods, re-develop automotive facilities and diversify their local economies. It is essential that the Recovery Act fully and across a wide spectrum of programs support their efforts during these difficult times.

We have described in the attachment the specific actions that we believe you can take immediately to provide assistance to Michigan communities. We will be in further touch collectively on additional state-wide initiatives and individually on local and regional ones as well.

Finally, and importantly, we look forward to actively discussing with you the responsibility the President gave to you to "lead an effort to identify new initiatives we may need to help support [your] communities going forward." This is very important in the effort of our State to attract new businesses, to assist existing businesses in diversification, and to address more broadly community economic re-development.

Sincerely,

Debbie Stabenow

Dan Claitor

John Hargell

John Hoopes

Cynthia C. Kipstruck

Barb Stupak

Dale E. Alder

Vernon J. Ehlers

Frank Latta

Phil Longenecker

Janet Love

Gay C. Peterson

Mark Schauer

Thad A. Mc Cith

Michelle Rhee

Candice S. Miller

Sue Camp

## Michigan Delegation Letter to Dr. Ed Montgomery Addendum

### **Department of Energy**

#### **Battery Grants**

Please call Secretary of Energy, Steven Chu, and urge him to approve funding to Michigan applicants for battery grants appropriated in the American Recovery and Reinvestment Act (ARRA). Nine of the world's top original equipment manufacturers (OEMs) and 46 of top 50 global suppliers have significant investments in our state, much of those now focused on developing zero or near-zero emission vehicles of the future. Our skilled workforce will also bring unmatched technical expertise that will give Michigan battery manufacturers a significant advantage over their competitors.

The American Recovery and Reinvestment Act included \$2 billion for grants for manufacturing of advanced batteries and electric motors and electronics. The purpose of this funding is to invest in 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 grant program is also a vital component of reducing U.S. dependence on foreign oil, expanding renewable energy production, and reducing harmful greenhouse gas emissions. The strong partnerships being formed will be world leaders in this emerging sector, creating a new export industry that will strengthen Michigan's economy.

#### **Section 136 Loan Applications**

Please call Secretary of Energy, Steven Chu, and urge him to give serious consideration to proposals from Michigan applicants for retooling loans to develop advanced vehicle technologies under section 136 of the Energy Independence and Security Act (EISA). Michigan companies are uniquely positioned to develop the advanced technologies necessary to reduce fuel consumption and greenhouse gas emissions because of their long-time role in development of these technologies. We also urge you to join us in advocating for an increase in the authorization of Section 136 of EISA from \$25 billion to \$50 billion. The pending applications have illustrated that there is much more demand than the current program can meet.

#### **Auto Suppliers**

As a member of the Auto Task Force, ensure the \$5 billion program established by the Administration for automotive suppliers is sufficiently broad in size and scope to stabilize the auto supplier sector and prevent additional disruption in the supply base. In addition, the White House task force should consider whether a separate program is appropriate to address the needs of critical Tier 2 and Tier 3 suppliers and should evaluate in cooperation with the Small Business Administration whether there are existing programs to aid Tier 2 and Tier 3 suppliers unable to access normal commercial financing because of the credit crisis and the uncertain time for their primary business.

#### **Auto Dealers**

As a member of the Auto Task Force, please call Secretary of Treasury Timothy Geithner and urge him to consider additional creative ways, beyond the current Term Asset-Backed Securities

Loan Facility (TALF), to address the problems encountered by auto dealers in obtaining financing for their inventory of new automobiles. The joint efforts of the Federal Reserve Board and the Department of Treasury to promote liquidity in consumer loan markets through TALF have been successfully used to support automobile financing for consumers, but these programs may not sufficiently address the lack of liquidity in the dealer floorplan financing markets.

### **Consumers**

As a member of the Auto Task Force, please work to ensure consumers understand that their Chrysler warranties are backed by the full faith and credit of the United States Government, and they can buy Chrysler vehicles with confidence. In addition, the President announced support for a consumer voucher program that would boost auto sales during the recession. Please work with Congressional leadership and the White House to finalize this legislative passage and ensure enactment.

### **Army Corps of Engineers:**

The Army Corps of Engineers allocated the \$4.6 billion of ARRA funds on April 28; however, Michigan received only \$24 million, about 1/2 of 1 percent of these funds. Therefore, please urge the Assistant Secretary of the Army for Civil Works, Mr. Woodley (or Ms. Darcy, if confirmed), to direct fiscal year 2010 funds to Michigan for its navigational system, and for environmental infrastructure and restoration projects. This funding would both create jobs and strengthen our long-term economic competitiveness.

Please urge the Assistant Secretary to budget for and allocate funds for correcting combined sewer overflows in Michigan, which are estimated to need over \$400 million.

Also, please urge the Assistant Secretary to allocate \$70 million in FY2010 to operate and maintain Michigan's navigational system, including for dredging, breakwater repair and maintenance, construction of dredged material disposal facilities, rehabilitating and modernizing the 40-year old Poe Lock at the Soo Locks facility, and other operations and maintenance needs. With nearly 200 million tons of commodities flowing through the Great Lakes, maintaining this infrastructure is essential to the economic vitality of the region and the nation.

Additionally, please urge the Assistant Secretary to provide \$100 million in FY10 for the critical Soo Locks Replacement project to ensure that shipping on the Great Lakes remains viable and that the industrial and the agricultural sectors can continue to use this infrastructure. This new lock is ready to break ground right now and would create 1,000 jobs. After 13 years and \$20 million of federally funded studies and preparation, the Fiscal Year 2009 Omnibus Appropriations Act included \$17 million to begin building the coffer dams necessary to begin construction of the replacement lock. With the Corps of Engineers set to break ground on the new lock in June, the Administration must make a commitment to seeing the remainder of the funding for this \$490 million project provided in a timely manner.

### **Department of Commerce:**

#### **Economic Development Assistance Grants**

Please call Secretary of Commerce Locke and urge him to reduce the percentage required for the local match for economically distressed communities and to advocate on behalf of Michigan applicants during the grant application process. Michigan communities are in varying stages of transition during these difficult times and many are or may be interested in pursuing EDA grants to help with planning and implementing local and regional economic development strategies. The ARRA provides an additional \$150 million to EDA. Currently, these grants require a 50% match, but the Secretary has discretion to lower the match requirements and could use this discretion to be sensitive to the limitations of distressed communities in Michigan.

#### Broadband Grants

Please call Secretary of Commerce Locke and urge him to direct funding from the \$9 billion in ARRA for broadband grants to the State of Michigan. The State of Michigan is positioned to take immediate action in the development of a statewide broadband network using federal recovery dollars; answering economic development, educational, governmental, healthcare and public safety needs. Michigan is proposing to create a "Broadband Superhighway" large enough to serve the needs of the state and local governments, schools, libraries, intelligent transportation system, businesses and citizens in every corner of the state. Funding for this Superhighway will not only provide a critical boost to one of the country's most troubled economies, it will prove out a ground-breaking approach to broadband deployment and adoption, capable of being replicated in states across the nation.

#### Environmental Protection Agency:

##### Brownfields Grants

Please ask Administrator Jackson to favorably consider brownfields grant applications from Michigan using its Recovery funds, as well as funds appropriated in FY2010. The ARRA included \$100 million for competitive grants under the U.S. Environmental Protection Agency (EPA) for the evaluation and cleanup of former industrial and commercial sites. The Administration should target the brownfields assessment and cleanup assistance provided both by the Recovery Act and appropriations to communities with closed automotive facilities. EPA itself has acknowledged the need to focus on these properties in its Auto Sector Property Revitalization effort, which recognizes the economic future of these communities depends in part on the cleanup of the closed facilities.

#### Department of Health and Human Services:

##### Health Information Technology (HIT)

Please call Secretary of Health and Human Services, Kathleen Sebelius, and urge her to give weight to economically distressed communities in the federal guidelines they are developing for the distribution of HIT funding included in the ARRA. This funding has the potential to create jobs, save money and save lives. Michigan is one of only a few states that has completed a statewide planning process creating a roadmap for implementing health information technology and exchange throughout the state. This additional funding would allow the state to further implement its plan, especially at a time when the state is suffering so greatly.

#### Department of Housing and Urban Development:

Neighborhood Stabilization Program (NSP)

Please urge Secretary of Housing and Urban Development, Shaun Donovan, to give weight to economically distressed communities in Michigan when allocating the additional \$2 billion included in the ARRA for the NSP. Many Michigan communities will be applying for these competitive grants to enable them to demolish and redevelop the glut of vacant and foreclosed homes that are bringing down housing values and the quality of life in neighborhoods throughout Michigan.

**Department of the Interior:**

National Park Service

Please urge Secretary Salazar to give priority consideration to Michigan's federal park and trail projects. A list of important projects was provided to the Secretary on April 27, 2009, and FY09 and FY10 funds should be directed at these projects.

**Department of Justice:**

Edward Byrne Competitive Grants

Please call Acting Attorney General Laurie Robinson and urge her to give weight to economically distressed communities in the allocation of funding for the Edward Byrne Competitive Grant funding included in the ARRA. These competitive grant funds are focused on ensuring job growth and job retention. These grants help state and local communities improve the capacity of local justice systems and may be used for national efforts such as training and technical assistance.

COPS Hiring Recovery Program

Please call Acting Director of the COPS Office Tim Quinn and urge him to give weight to economically distressed communities in the allocation of funding for the Edward Byrne Competitive Grant funding included in the ARRA. These funds go directly to law enforcement agencies to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts.

**Department of Labor:**

National Emergency Grants

Please urge Secretary of Labor Solis to give weight to economically distressed communities as well as the significant need to retrain dislocated workers when developing guidance for NEG's provided in the ARRA. Michigan is prepared to submit an application and we hope that the dire economic situation in Michigan and the aggressive efforts already being made to retrain our workers will be given great consideration when reviewing the application.

In addition, in the upcoming reauthorization of the Workforce Investment Act (WIA), the Administration should consider new, innovative NEG strategies. The ability to tailor a NEG to a local area's specific needs is critical to an effective response. An example of a new, innovative NEG strategy under WIA could be one that targets incumbent workers in order to prevent impending mass layoffs or to address large-scale workforce training needs related to the new

economy. We look forward to working with the Administration during this important reauthorization process.

**Department of Transportation:**

High Speed Rail Corridor and Intercity Passenger Rail Service

Please call Secretary of Transportation LaHood to urge him to prioritize the Midwest High Speed Rail Corridor requests when they are submitted. Michigan hosts a key, federally designated high speed rail corridor - the Chicago-Detroit-Pontiac corridor. During the past decade Michigan has worked with other Midwestern states to develop and advance the Midwest Regional Rail System. Based on estimated ridership, the Chicago-Detroit-Pontiac corridor is included in Phase I of the initiative. Michigan and Amtrak, working with the Federal Railroad Administration, have implemented an incremental train control system allowing for 95-mile-per-hour operations on portions of the corridor. The State of Michigan is seeking funding for track, signal, and infrastructure upgrades to bring trains to 110 mph speeds. Michigan is seeking \$420 million for this corridor and \$300 million for train equipment.

Discretionary grants for projects of national or regional significance

Please call Transportation Secretary LaHood to urge him to make sure that Michigan gets its maximum allowed for the state (i.e. \$300 million) of these funds and that Michigan is given consideration in getting any leftover funds that other states are unable to use. The American Recovery and Reinvestment Act included \$1.5 billion for discretionary grants for projects of national or regional significance that can be completed within 3 years of enactment.

FAA Airport Improvement

Please call FAA Acting Administrator Lynen A. Osmus to urge that Michigan airports be given deference when providing grants due to the high level of economic distress in the State. The American Recovery and Reinvestment Act included \$1.1 billion for the Federal Aviation Administration to provide discretionary grants for projects at airports. The funding is to be administered under the requirements of Airport Improvement Program (AIP) discretionary funding.