

CENTER FOR AMERICAN PROGRESS

KEYNOTE SPEECH: SENATOR DEBBIE STABENOW

**INTRODUCTION:
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EXECUTIVE DIRECTOR,
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**SPEAKER:
SEN. DEBBIE STABENOW (D-MI)**

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CATHY CALFO: Hello, everybody. I'm Cathy Calfo. I'm the executive director of the Apollo Alliance and I want to welcome you back from lunch and thank you again for joining us here today, hopefully to start or continue an important discussion about how we do make America a leader in the clean energy economy. I want to thank, again, Rob Atkinson, Bob Borosage, Peter Brehm and Katie McGinty, who spoke on the first panel. It was really excellent and we really appreciate their doing that.

Just to quickly review the agenda for the rest of the afternoon – we've had to adjust it slightly – we're lucky to have Sen. Debbie Stabenow here, who I'm going to introduce in just a minute. After she speaks, we'll begin a panel on "The U.S. and the World: What Are Other Countries Doing and What Could the U.S. Do?"

And we will have Thea Lee, who's the deputy chief of staff for the AFL-CIO; Leo Hindery, who's chair of the U.S. economy/smart globalization initiative from the New America Foundation; Julian Wong, a senior policy analyst here at CAP; and Joan Fitzgerald, who's the author of a book that was recently released and is excellent, called "Emerald Cities: Urban Sustainability and Economic Development." And then I'll review the rest of the agenda in a little bit.

Our next speaker, Sen. Debbie Stabenow, represents a state that's poised to become a major producer of clean energy systems and components in the United States in the 21st century. She made history in 2000 when she became the first woman from the state of Michigan to be elected a U.S. senator. Since then, Sen. Stabenow has earned respect for her ability to bring together disparate interests to get things done for her state and for our whole nation.

Just to give you a sense of what's going on in Michigan, under her leadership and working with Governor Granholm, Michigan is already leading the way in creating a green-collar workforce. Last year, Michigan's department of energy, labor, and economic growth did the first survey of green jobs in the state and found that Michigan already boasts 109,000 green jobs, representing three percent of the state's private sector employment.

Of Michigan's green jobs, 1-in-3 are in manufacturing. In a survey of 358 clean energy firms in Michigan, employment grew by 7.7 percent from 2005 to 2008, an incredible accomplishment, even as the total private employment declined by 5.4 percent over the same period. Sen. Stabenow sits on the Senate Energy and Natural Resources, Finance, Agriculture and Budget Committees, putting her in the unique position to make a big difference in the way our nation moves forward to build a clean energy economy.

In the American Recovery and Reinvestment Act, she secured funding for her green-collar jobs initiative, which made significant investments in clean energy manufacturing, and she made investments in alternative energy a priority during the debate in the most recent farm bill.

It's really an honor to have her with us today. Please join me in welcoming Sen. Debbie Stabenow. (Applause.)

SEN. DEBBIE STABENOW (D-MI): Well, good morning — or is it afternoon, I guess — afternoon. It's wonderful to be here. Thank you, Cathy, for your leadership. I love what the Apollo Alliance has been doing and it's always my pleasure to come and be a part of efforts of Apollo Alliance and of course with CAP — Center for American Progress.

Thank you to everyone — to John, to everybody who is involved in ongoing efforts to keep us laser-focused on moving the country forward in a positive direction for everybody — not just a few people, but everybody — to have a chance to be a part of prosperity and the new opportunities in a clean energy economy.

I want to make sure everybody knows both my chief of staff, Amanda Renteria, and Chris O'Donnell, who does our great energy work, are both in the back. And also, I don't know if Andy — we were just talking about the state department in Michigan — is Andy here? I saw Andy Levin on the list here. I don't know if Andy is — okay. But we love what is being done in partnering with our governor and what's happening with the state of Michigan.

Well, let me just speak for a moment why I'm so passionate about what you are doing and so committed to moving our economy in the direction that's going to create real jobs — sustained middle-class jobs, economic activity, prosperity for business — moving forward. When President Obama went to England and visited the queen, he gave her a gift that represented American ingenuity. It was an iPod.

Ingenuity in America but made in China; invented in America but made in China. We've got to make sure that on clean energy, moving forward, we don't repeat that. That's really the challenge for us. For too long, our strategy has been to design, to innovate on new technologies, but not to worry about where it's made.

I remember on multiple occasions having that debate with the Bush administration. If you could buy an automobile, it didn't matter where it was made. Well, it does matter where it's made if you care about the American economy and if you care about the middle class and if you care about jobs. We're not going to have an economy if we don't make things in the United States.

And so that's why this is so important. If we learned anything from the current economic crisis, that if we want to create jobs we have to make things. And frankly, we have to make things and grow things and add value to them in our country, to fundamentally have a middle class and to have a strong economy.

Let me take you back a few years. The first wind turbine to generate electricity was built in 1888 — I don't think anybody here was probably there then — by an American named Charles Rush, who was a University of Michigan graduate — just happened to throw that in — who would go on to be one of the founders of General Electric. He built an enormous wind dynamo — that's what he called it — in his backyard. It was a very big backyard. The turbine

measured 56 feet in diameter, had 144 blades and a tail that was 60 feet long and 20 feet wide — 1888. The first wind turbine powered his home for 20 years.

In 1939, another American named Russell Ohl was working on radio technology at Bell Labs. His bosses wanted him to do some cutting-edge technology like vacuum tubes. But he thought semiconductors were the way of the future. One day, he was working on a silicon crystal with a crack down the middle. And now maybe it was getting late, maybe he needed to find a better way to use his instruments, but he turned on his desk lamp and made a breakthrough. When exposed to light, the silicon crystal produced a slight electric current. And just like that, literally in the flick of a switch, an American had invented silicon solar cells.

Today, we are in a race with China to see who will build the technologies that Charles Rush and Russell Ohl invented. Last year, to our chagrin and I know yours, China surged ahead of us, becoming the world's top producer of wind turbines and solar panels. And we cannot let that stand. In a recent article in the New York Times, a Chinese official bragged that their wind turbines would be stamped with a brass plate, stamped with the words, made in China. Now, he had very good reason to feel confident because China's right now spending about \$288 million a day to be the leader in these new clean energy technologies.

So we have a choice. We can trade our energy independence — trade our dependence on foreign oil for dependence on foreign technology or we can become energy independent. And I know this is what Apollo is committed to, what CAP is committed to. And of course, we know the answer is we can't let that happen. That's why, when we were writing the recovery act, I was very proud, with Sen. Bingaman, to coauthor an advanced manufacturing tax credit that has been dubbed 48C in tax terms that has helped a number of energy projects get off the ground.

And frankly, I came just now from an Energy Committee meeting where we heard from the Department of Energy that they had so many great projects for manufacturing — three times more than they could fund because of the cap put on this particular area of the recovery act. And they are asking — the president has asked — the vice president and now Sen. Bingaman and I are offering not only legislation, but an amendment to the current jobs bill to move that up another \$5 billion.

We invested 2.3 billion (dollars). We had three times as many projects come in that were ready to go — high-quality manufacturing projects. And so we are hoping in the next couple of months, as part of our jobs initiative, to add another 5 billion to that initiative. Thanks to the credit, we're seeing major investments in solar cell manufacturing in Michigan, but also in Tennessee and California and Oregon, all across the country. We're seeing wind turbine manufacturing in Illinois and Colorado and South Carolina and again in Michigan. And I hope that that is just the beginning of what we're going to see.

We also have to be able to use the equipment we build, and that means an energy grid — a smart energy grid. And that's a very important part of our energy bill. I'm hopeful that we will be moving a comprehensive energy independence and jobs bill forward that includes all that we need to do to put certainty in the marketplace and a price on carbon. And I hope that we're

going to be doing that this spring. We can't have a 21st-century clean energy policy if we're using an electric grid that hasn't been changed since the 1960s.

Smart grid technology will not only save the economy money, as we know, but it will create new jobs and whole new industries right now that we can barely imagine. What the Internet did for information technology, a smart grid will do for clean energy technology. The same innovation is happening around smart grid technologies, and smart grid technology will give families the information that they need to be smarter consumers.

Let me brag about another great Michigan company: Whirlpool. They've been doing great work in saving consumers energy and reducing demand on the grid. They're using smart grid technology to create dishwashers and refrigerators and washers and dryers that will be able to respond to energy demand; price spikes; turning them on and off, reducing power consumption during peak hours of the day. They do everything but talk to you, and I think that's probably coming next. It's very impressive to see what they are doing.

And that technology can be used by manufacturers to schedule work around peak periods to save money, reduce the impact on the energy grid, significantly save on energy bills. So the technology is there. We need the support and policy and funding and investments to make sure that that moves as quickly as possible out to consumers.

China knows how important the energy grid is. And that's why they've spent \$46 billion last year on grid improvements. The United States made initial investments of \$4 billion in the recovery act. So we know we need to more. Now, this first investment was very important. I'm so relieved that we now have a president that understands we need to make things in America and an administration that's committed to working with us. But we are behind the curve and we've got much, much more to do. And I know that they are supportive of that.

We're moving forward on advanced manufacturing strategies for automobiles. I was very pleased to author in the 2007 energy bill a retooling program that has been used to actually bring back jobs — I love this part — from Mexico and other places to Michigan and other places in this country, because we've helped them retool large older plants — truck plants — to electric vehicle plants. And we need to continue to do that as we take our infrastructure and we invest in it.

We know right now that if someone wants to go not only to China, but to Germany, to Korea, to other places, they not only will get significant tax benefits, but they will give them the capital to build the plant, if not build it for them. In China, they'll just build it for them. So our companies are competing against countries. And that's why having a strong, advanced manufacturing clean energy strategy in this country is so critical. And I know that you know that because of all the wonderful work that you're doing.

American automakers are retooling their plants to build hybrids and electric vehicles, but they're also relying on foreign companies to produce the battery cells right now. And that's why in the recovery act, the \$2 billion investment for advanced battery manufacturing was so critical. And we are coming a long way. There's still more to do. We need to stay focused. But we have

at least six companies that have announced or come online with advanced battery manufacturing just in the last few months in Michigan.

There's a wonderful story of A-123 Battery, who was in Asia — a firm based out of Boston in Asia — and decided to come back to the United States with the support that we have been able to give them. And of course, they were wise enough to put their first plant in Michigan. So I'm excited about the possibilities, because even with the small amounts—relatively speaking — that we have been investing, we are seeing changes. And that should tell us something about where we need to go on public policy.

Ultimately, this whole strategy is about seeing the words "made in America" again. We can't just use green technologies. We have to make them. Recent history has shown what happens when we rely on foreign sources of energy and we subject ourselves to less friendly international governments who can manipulate supplies and increase prices and hurt the American people.

If they can do it with oil, they can do it with wind turbines; they can do it with batteries; they can do it with solar. And we cannot let that happen. That's why the Apollo Alliance's green manufacturing action plan is so important. And I'm 100 percent behind it. Not only are we creating jobs, but we are making America more secure.

Now, the federal government has got to be involved. As I said, our companies are competing with countries. If we're going to really have those jobs here, it has to be an American priority. This isn't revolutionary. It's based on the same principles that we have always used to successfully create jobs in America — help to retool plants, focus on making things in America, training workers so that they can transition into the clean energy industry and making sure that these are good-paying jobs.

And that's why I'm proud to be a cosponsor with Sen. Brown on his bill, the IMPACT Act. It was introduced, as you know, last June. Our bill creates a \$30 billion retooling loan program to help companies be able to switch to clean energy technologies. And it's an important bill. I know with your help that we're going to move forward and get passed. It also focuses on the manufacturing extension partnerships, which are so important, particularly for small and medium-sized manufacturers, because so many small manufacturers right now are hurting. And this is an opportunity to move them into the clean energy industry.

We've also included a manufacturing title in the energy bill. I'm very appreciative that Sen. Bingaman let us write a manufacturing title that includes a clean energy development fund, to be able to invest in early technologies and deployment/commercialization of those technologies. And it provides competitive grants for small businesses who develop innovative energy technologies. These are the kinds of investments that we have to make in order to win the clean energy race. Because where things are made really does matter.

As I said, I want to see the words "made in America" again. When we put up wind turbines — and there are 8,000 parts in every wind turbine — and by the way, we can make every one of those in Michigan — I want to see the brass plate that says "made in America."

When we install solar panels, I want to see "made in America." When we build the cars and trucks of the future, I want to see "made in America."

And the next time an American president visits England, I want him to give the queen a gift — now, a wind turbine may be too big; maybe a solar panel — that was not just invented in America, but was made in America. (Applause.) Thank you for all that you're doing. Thanks. Do you want me — yeah, I think we can take a couple questions. Yeah.

MS. CALFO: We can take one or two questions, if there's anybody who has a question for Senator Stabenow. We have a microphone?

SEN. STABENOW: Way in the back.

Q: Great. Senator Stabenow, I'm wondering, I do some work in Detroit and one of the things I've noticed, talking to people there, is there seems to be a little bit of reluctance to really think about Michigan as going back to a manufacturing past. Do you sense there has been some of that resistance? But it sounds like maybe Michigan's moving on that. Could you comment on that?

SEN. STABENOW: It's not going back. This is not your father's factory. It's going forward. And so it's really being able to refocus us on advanced manufacturing technologies and the new abilities for us to broaden the scope. I was with an auto supplier last week — someone who was 100 percent in auto supply who's now doing some auto supply, some aerospace and doing generators for wind turbines.

So what we have to do — what our challenge in Michigan and I think across the country, but certainly for us as a manufacturing state — is to not only diversify beyond manufacturing, but to diversify manufacturing so that we are looking more broadly. Because it doesn't matter what we are making. We need equipment to do it.

I was talking to someone about the smart grid technology who told me that the equipment that it takes to do the smart grid technology, to actually put in the smart grid technology, that equipment's not made in the U.S. anymore. I say, well, why? He said, we haven't needed to do it because we haven't been doing this stuff. So when we as a policy say we're going to do these things, then the manufacturing of the equipment moves as well.

And businesses need certainty. We need a long-term policy so that venture capitalists can come in and we are investing — we're creating that sense of certainty that allows longer-term investments and we have not had that. We have the beginning of it. We have a very, very good start in what was done in the recovery act and the efforts of the Obama administration. But we, in my judgment, need to continue to be robust and bold and we need to have a longer-term vision to create the certainty for the marketplace to be able to come in and invest. I see Congressman Enzi. It's wonderful to see you. Yes. One more — yeah?

Q: Senator Stabenow, I'm from Michigan. I spent 25 years there and graduated from Michigan State University. I'm also the auto industry expert for Cornell University, and I

applaud all your great work. You brought up Whirlpool as an example for a Michigan company. I'm hoping that you will help support Whirlpool in keeping the jobs in Michigan as opposed to exporting large numbers of those jobs to Mexico.

SEN. STABENOW: Absolutely.

Q: But I do support Whirlpool. I just got some. I'm waiting to get delivered for another stimulus package from New York. So thank you very much. And any comments on what you can do to help support keeping the jobs in manufacturing in Michigan and keeping them there instead of moving them, especially in auto and other manufacturing to Mexico?

SEN. STABENOW: Well, I think there are a number of things. Part of that is in partnering in innovation; things like the advanced manufacturing tax credit. For Whirlpool and for G.E. and others in the appliance business, it's the ability to incentivize consumers to purchase these new appliances, these new smart grid appliances.

Now that we have done — I was proud to be the Senate author of “Cash for Clunkers.” And now everybody's referring to “Cash for Clunkers” and how to do other things in terms of incentives and rebates and so on. But there is a piece of legislation that I'm helping to push that would give larger consumer rebates to be able to help them purchase those kinds of things.

I also would mention one other thing, and that is our trade policy matters. You can't have an advanced manufacturing strategy and talk about exports — and I'm 1000 percent behind President Obama's focus on exports. But the door has to be open on the other end. South Korea, as an example, has not opened the door to appliances.

They've not opened the door to automobiles. Our door's wide open to them. They've not opened the door to us. And so trade enforcement — getting trade agreements right so we really are creating open doors for our companies is absolutely critical and it's a very important part of the equation. Thank you very much.

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