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GARLIN GILCHRIST II

May 17, 2023

The Honorable Alejandra Castillo Assistant Secretary of Commerce for Economic Development U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, D.C. 20230

Dear Assistant Secretary Castillo:

We write to encourage the U.S. Economic Development Administration (EDA) to designate Regional Technology and Innovation Hubs (Tech Hubs) in Michigan. For more than a century, Michiganders have paved the way. We put the world on wheels, assembled the arsenal of democracy, and forged the American middle class, offering millions of people unparalleled economic opportunity. Our skilled workers, world-class universities, and entrepreneurial spirit have helped us lead the cutting-edge of emerging technologies, and the Tech Hubs program offers us an opportunity to advance the Biden-Harris administration's goals of bringing manufacturing back home to America, fostering innovation, and creating good-paying jobs. Michigan proposals will unlock national leadership in innovation critical to national and economic security.

Last year, Michigan demonstrated that a strong regional coalition could compete with anyone across the country after the Global Epicenter of Mobility (GEM) received one of the largest Build Back Better Regional Challenge grants from EDA. The more than \$50 million grant GEM received will allow them to support six projects designed to build on the region's current mobility and electrification assets. To ensure our regions are prepared to build on GEM's success, our Administration hosted working discussions with key stakeholders in five distinct areas across the state—Ann Arbor, Detroit, East Lansing, Grand Rapids, and Northern Michigan—to better understand the unique strengths and resources each would bring to the Tech Hubs program.

Our economic strategy has been lockstep with President Biden's Investing in America agenda, and our efforts to strengthen the domestic supply chain by bringing manufacturing back home and creating good-paying, high-skill jobs continues to be the top of our Administration's focus. In less than a year, Michigan has landed over \$16 billion in projects and announced over 16,000 jobs to advance the future of manufacturing—and we are just getting started. These projects—battery technology and manufacturing, electric vehicle production, clean fuel manufacturing, and more—exemplify our ability to ensure the industries of the future are built right here in America. Of note—these are not only expansions by Michigan-based companies—companies from across the nation and around the world want to be part of what we are building in our state.



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While industry is a critical part of any consortium, so is having a community of great people focused on enabling us to remain a global leader in industries critical to our national security and global competitiveness. Our exceptional institutes of higher education continue to lead the way on educating and training the workforce of the future, and Michigan institutions rank near the top nationwide in STEM research and development, total STEM degrees awarded, and STEM research and National Science Foundation funding. In fact, Michigan's total research and development as a percentage of our GDP and total overall spending rank 6th in the country. Michigan also has the most talented workers in the world, offering us an unparalleled ability to translate ideas into tangible goods. With a policy environment primed to help workers earn a living wage, Michigan's unions have made transformative investments in building the training centers for careers of tomorrow. Just last year, the Detroit Union of Carpenters and Millwrights opened a \$30 million, 145,000 square-foot training center on the west side of Detroit, bringing cutting-edge workforce training to the heart of our largest, most diverse city.

While much progress has been made to move Michigan's economy forward over the last few years, our state remains vulnerable to a changing economy. New technologies like batteries and electric vehicles bring economic opportunity, but also potential displacement for union workers building engines, transmissions, and gasoline-powered vehicles today. As domestic manufacturing jobs shift to states with lower wages and less protections for workers, fewer families can count on a manufacturing job to lift them into the middle class. Michigan will always compete for good-paying manufacturing jobs, but the future of our state is dependent on diversifying our economy and increasing the number of good-paying, high-skill jobs that the Tech Hubs program will create. We will leverage our strong ecosystem of innovation to meet the needs of the EDA and harness our rich manufacturing heritage to build the industries of the future.

As the Economic Development Administration finalizes the Regional Technology and Innovation Hubs program, we encourage you to consider proposals to house Tech Hubs in Michigan.

Thank you for your consideration.

Gretchen E. Whitmer

Governor of Michigan

Garlin Gilchrist II

Lieutenant Governor of Michigan

cc: The Honorable Gina Raimondo, Secretary of Commerce