



Reem Rayef, Senior Policy Advisor
1020 19th St. NW | Suite 750
Washington, DC 20036
rrayef@bluegreenalliance.org

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Response to the U.S. Department of Energy's Request for Information on Inflation Reduction Act Domestic Manufacturing Conversion Grants for Electrified Vehicles – Small & Medium-Sized Manufacturers

The BlueGreen Alliance (BGA) unites labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy. Our partnership is firm in its belief that Americans do not have to choose between a good job and a clean environment – we can and must have both. While BGA is a national partnership, our organization's activity across ten states, and close engagement with labor organizations representing auto supply chain workers, provide us with the expertise to help shape the development of this program.

We applaud DOE's dedication to strategic implementation of the Domestic Manufacturing Conversion Grant Program, and careful attention to small- and medium-sized manufacturers (SMMs) in the internal combustion engine (ICE) supply chain. These companies tend not to have the luxury of staff or capital to consider applying to federal grants or shifting their production to meet growing demand for electric vehicles. **It is essential that programs are tailored to SMMs' specific needs: DOE's process should ensure that SMMs are able to access grant funds without sacrificing the important application requirements—such as robust Community Benefits Plans—that will make sure program dollars work for working people and communities.**

We have responded to a selection of DOE's questions in its Request for Information. Our responses offer data and perspectives that will help DOE administer the program in a way that maximizes real benefits for working people and communities. The Domestic Manufacturing Conversion Grant Program is uniquely positioned to make sure that as auto industry companies respond to growing demand for electric vehicles, incumbent auto manufacturing workers, and the communities they live in, are not left behind. DOE should partner with state agencies to ensure that federal funds are directed toward SMMs that are already setting a high bar for job quality in the domestic electric vehicle

supply chain (including companies with union workforces), as well as companies that accept grants with the clear understanding of the community and workforce commitments upon which the funds are conditioned.

Please see BGA's responses to selected questions from the Request for Information below.

Anticipated Program Scope and Details: Small and Medium Manufacturers

For the purposes of this program, BGA defines eligible SMMs as non-assembly manufacturing facilities that are building components exclusive to ICE vehicles, such as engines, transmissions, lead-acid batteries, and fuel systems. This definition omits auto supply chain facilities making components for hybrids, or components that are required by all vehicles no matter their fuel source. It also omits assembly facilities, which tend to be larger.

Table 1 in the Appendix identifies 61 facilities that meet this definition. Additional columns identify facilities with the following qualities:

- 1) Manufacturing workers are protected by a collective bargaining agreement
- 2) Location in a Justice40 community, as designated by the Climate & Economic Justice Screening Toolⁱ
- 3) Location in a deindustrialized community, as designated by BGA researchⁱⁱ

Figure 1 in the Appendix visually maps these facilities as well.

Of these 61 facilities, 16 are union, 23 are located in Justice40 communities, and 21 are located in deindustrialized communities, which are defined by BGA as counties with an above-average decline in the manufacturing workforce since the late 1970s and with higher-than-average unemployment or lower-than-average wages today.ⁱⁱⁱ

Only two facilities, the Faurecia facility in Dexter, MO and the Ford facility in Brook Park, OH, have all three qualities.

Anticipated Program Scope & Details: Funding

The Notice of Funding Opportunity for the Domestic Manufacturing Conversion Grant Program released by DOE in August 2023 clearly drives applicants to submit applications in cooperation with labor unions and workforce organizations. The program's scoring criteria demonstrate DOE's intent that funding support companies committed to

protecting and creating high road jobs in EV manufacturing. As such, DOE must ensure that its SMM-focused grant round mimics the same priorities and equips applicants to connect with labor unions and workforce organizations.

Individual state agencies are unlikely to have the expertise and capacity to identify eligible SMMs, ensure Davis-Bacon compliance, abide by NEPA requirements, comply with the Build America, Buy America Act, and facilitate robust Community Benefits Plans with community-based organizations and labor groups. DOE should work *not* with individual state agencies to administer the program, but with *coalitions or taskforces of state agencies*, including agencies that regularly engage with labor unions and workforce organizations.

Anticipated Program Scope & Details: ICE-to-EV Conversion

BGA research has identified eight ICE supply chain facilities that have recently ceased operation. The facilities are listed in Table 1 below.

Table 1: Recently Closed ICE Supply Chain Facilities

Facility Name	Status	City	State	Product(s)	Union?	J40?	Deindust?
Borg Warner	Closed	Frankfort	IL	Dual Clutch Transmission	No	No	Yes
Cummins	Closed	North Charleston	SC	Turbochargers	No	Yes	No
Ford: Romeo Engine Plant	Closed	Romeo	MI	Flex Fuel, High Performance, and CNG Engines	Yes	Yes	No
GM: Warren Transmission	Closed	Warren	MI	Hydramatic Transmissions	Yes	Yes	No
IMPCO Technologies	Closed	Santa Ana	CA	Propane and Nat Gas Fuel Systems	No	No	No
Pinnacle Engines	Closed	San Carlos	CA	OPOC Engines	No	No	No
Stellantis: Trenton Engine North Plant	Closed	Trenton	MI	2.6L V6 Engines, 3.6L V6 Engines	Yes	No	Yes
Water Gremlin	Closed	White Bear Lake	MN	Lead-Acid Battery Terminals	No	No	No

The grant program should prioritize recently closed facilities that make enforceable commitments to rehire laid off workers and retrain them to meet new production demands. In these cases, DOE must also ensure that the new jobs are high quality jobs, where workers receive the same or better wages and benefits as they did before the facility's closure.

BGA appreciates DOE's desire to streamline the application process for these recently closed facilities, and for all other SMMs eligible for program funding. However, the positive economic impacts of this program hinge on the strength and enforceability of the Community Benefits Plans that applicants develop in partnership with community-based organizations and labor. DOE should not reduce the requirements related to

community and labor engagement relative to those in the first Notice of Funding Opportunity for the Domestic Manufacturing Conversion Grant Program.

Specifically, in their Community Benefits Plans, applicants must be required to commit to specific workforce investments, including a specific number of full-time jobs and detailed plans for recruiting, hiring, and retaining employees. Applicants must commit to implementing pre-apprenticeship/apprenticeship programs, targeted hiring initiatives, and local hiring agreements. The union prevailing wage in the industry should be the standard by which employers are judged, including in manufacturing operations.

Conclusion

The Domestic Manufacturing Conversion Grant is a part of a suite of Inflation Reduction Act programs that will shape the future of the auto industry in the U.S.. It is essential that DOE leverage this opportunity to make sure that federal dollars create and protect high quality, community-sustaining jobs where the auto manufacturing workers of today and tomorrow have the free and fair choice to join a union.

Thank you for the opportunity to comment.

Appendix

Table 1: Small & Medium Sized Manufacturers in the ICE Supply Chain

Facility Name	Status	City	State	Product(s)	Union?	J40?	Deindust?
AISIN North Carolina Corporation	Open	Durham	NC	6 & 8 Speed Automatic Transmissions	No	No	No
Arvin Sango	Open	Campbellsburg	KY	Emissions Control Systems, Exhaust Systems	No	No	No
Arvin Sango	Open	Madison	IN	Emissions Control Systems, Exhaust Systems	No	Yes	No
Arvin Sango	Open	San Antonio	TX	Emissions Control Systems, Exhaust Systems	No	Yes	No
Arvin Sango	Open	Henderson	TN	Emissions Control Systems, Exhaust Systems	No	No	Yes
Autocam Corporation	Open	Marshall	MI	Direct Fuel Injection Systems	No	Yes	No
Borg Warner	Closed	Frankfort	IL	Dual Clutch Transmission	No	No	Yes
Clarios	Open	San Antonio	TX	Lead Acid Batteries	No	No	No
Clarios	Open	Holland	OH	Lead Acid Batteries	Yes	No	No
Clean Air Power	Open	Poway	CA	Natural Gas Fuel Injectors	No	No	No
Cummins	Open	Columbus	IN	Midrange Diesel Fuel Engines	Yes	No	No
Cummins	Open	Columbus	IN	HPI Fuel Systems	Yes	No	No
Cummins	Open	Lakewood	NY	HDV Diesel & Natural Gas Engines	No	No	Yes
Cummins	Closed	North Charleston	SC	Turbochargers	No	Yes	No
Cummins	Open	Ladson	SC	Turbochargers	No	No	No
Dinex Emission	Open	Dublin	GA	HDV Emissions Systems, Exhaust Pipes, Diesel Particulate Filters	No	Yes	Yes
Dmax (Joint Venture: GM & Isuzu)	Open	Moraine	OH	HDV Diesel Engines	Yes	No	Yes
Eaton	Open	Galesburg	MI	Transmissions & Clutches	No	No	No
Eaton	Open	Roxboro	NC	Cylinder Deactivation, Variable Valve Lift Combustion Engine Tech	No	Yes	Yes
Faurecia	Open	Dexter	MO	Mufflers	Yes	Yes	Yes
Ford: Cleveland Engine Plant	Open	Brook Park	OH	EcoBoost Engines	Yes	Yes	Yes
Ford: Lima Engine Plant	Open	Lima	OH	EcoBoost & Duratec Engines	Yes	No	Yes
Ford: Livonia Transmission Plant	Open	Livonia	MI	6, 8, and 10 Speed Transmissions	Yes	No	Yes
Ford: Romeo Engine Plant	Closed	Romeo	MI	Flex Fuel, High Performance, and CNG Engines	Yes	Yes	No
Ford: Sharonville Transmission Plant	Open	Sharonville	OH	6 & 10 Speed Automatic Transmissions	Yes	No	No
GM: Romulus Powertrain	Open	Romulus	MI	V6 Engines, 10 Speed Transmissions	Yes	No	Yes
GM: Tonawanda Engine Plant	Open	Buffalo	NY	Fuel Efficient Ecotec Engines	Yes	No	Yes
GM: Warren Transmission	Closed	Warren	MI	Hydramatic Transmissions	Yes	Yes	No
Hexagon Agility	Open	Lincoln	NE	Natural Gas Cylinders	No	No	No
Hexagon Agility	Open	Fontana	CA	Alt Fuel Conversions	No	Yes	No
Hexagon Agility	Open	Salisbury	NC	Alt Fuel Conversions	No	No	Yes
Hyundai Transys	Open	Westpoint	GA	8 Speed Automatic Transmissions	No	Yes	No
ICOM North America	Open	New Hudson	MI	Propane Fuel Systems, Propane Vehicle Conversions	No	No	No

IHI Turbo America	Open	Shelbyville	IL	Diesel, Gasoline, and Nat Gas Turbochargers	No	Yes	No
IMPCO Technologies	Closed	Santa Ana	CA	Propane and Nat Gas Fuel Systems	No	No	No
JATCO USA	Open	Farmington Hills	MI	Continuously Variable Transmissions	No	No	No
Kautex Textron	Open	Lavonia	GA	Plastic Fuel Tank & Fuel Delivery Systems	No	Yes	Yes
Navistar	Open	Huntsville	AL	S13 Integrated Powertrain	No	No	No
PACCAR	Open	Columbus	MS	HDV Engine	No	Yes	Yes
Pinnacle Engines	Closed	San Carlos	CA	OPOC Engines	No	No	No
PurePower Technologies	Open	Blythewood	SC	Turbochargers, Diesel Fuel Injectors, Fuel Management Systems	No	No	No
Robert Bosch	Open	Farmington Hills	MI	HCCI Turbocharged Engine Development	No	No	No
Rotomaster	Open	Mesa	AZ	New & Remanufactured Turbochargers	No	No	No
Schaeffler Group USA	Open	Cheraw	SC	Cylinder Deactivation, Variable Valve Train Components, Camshaft Phasing Systems	No	Yes	Yes
Sejong Industrial Company	Open	Fort Deposit	AL	Mufflers, Catalytic Converters	No	Yes	No
Sejong Industrial Company	Open	La Grange	GA	Emissions Reduction, Exhaust Systems, Mufflers	No	Yes	No
Stellantis: Trenton North Engine Plant	Closed	Trenton	MI	2.6L V6 Engines, 3.6L V6 Engines	Yes	No	Yes
Stellantis: Trenton South Engine Plant	Open	Trenton	MI	3.6L V6 Engines	Yes	No	Yes
Tenneco	Open	Grass Lake	MI	Emissions Management Systems	No	No	No
Tenneco	Open	North Kansas City	MO	Exhaust Systems	No	Yes	No
TI Automotive	Open	Ossian	IN	Diesel, Flex Fuel, and Gasoline Fuel Tanks	No	No	Yes
TI Automotive Aftermarket	Open	Caro	MI	Fuel Pumps	Yes	Yes	No
Toyota Motor Manufacturing Alabama	Open	Huntsville	AL	Fuel Efficient Engine Assembly	No	Yes	No
Transfer Flow	Open	Chico	CA	Fuel Tanks	No	No	No
Trojan Battery	Open	Stonecrest	GA	Deep Cycle Batteries for Medium & Heavy Duty Vehicles	No	No	No
Trojan Battery	Open	Santa Fe Springs	CA	Batteries for Neighborhood Vehicles & Commercial Trucks	No	No	Yes
Trojan Battery	Open	Sandersville	GA	Deep Cycle Batteries for Medium & Heavy Duty Vehicles	No	Yes	Yes
Water Gremlin	Closed	White Bear Lake	MN	Lead-Acid Battery Terminals	No	No	No
Wescast	Open	Macomb Township	MI	Exhaust Manifolds, Exhaust Systems Components	No	No	No
Wescast	Open	Sterling Heights	MI	Exhaust Manifolds, Turbocharger Housings, Secondary Intake Tubes	No	Yes	No
Xtrac	Open	Mooresville	NC	Gearboxes, Transaxles, Transmission-Related Components	No	No	No

Source: BlueGreen Alliance, May 2024

Figure 1: Map of ICE Supply Chain Facilities



Source: *BlueGreen Alliance Research, May 2024*

ⁱ White House Council on Environmental Quality, Climate & Economic Justice Screening Tool.
<https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>.

ⁱⁱ BlueGreen Alliance, Hard Hit Communities Deserve Equitable Federal Investments.
<https://www.bluegreenalliance.org/resources/hard-hit-communities-map/>.

ⁱⁱⁱ Ibid.