


MEMO

TO: Members of the Michigan House Labor Committee
FROM: David Q. Worthams, Director – Employment Policy 
DATE: March 8, 2023
Re: Opposition to HB 4004 and 4005

The Michigan Manufacturers Association (MMA) is opposed to House Bills 4004 and 4005. We ask that you vote against reporting this bill to the full House of Representatives.

At the outset of the 102nd Michigan Legislature, policymakers stand at the cusp of a new era of technological transformation. You hold the keys to Michigan's economic future. If you saw a picture of the streets of Detroit in 1900, it would have been filled with horse-drawn carriages. By 1913, the streets were filled with automobiles. Luckily, Henry Ford and other automotive entrepreneurs made their cars here in Michigan. It made us the world leader in automotive production.

Now, the global transition away from internal combustion engines to electric vehicles raises the question about whether Michigan will retain its manufacturing base into the 21st century. It is a critical question since manufacturing is the largest sector of the state's economy, employing over 612,000 people in Michigan.

New manufacturing investment will land in states with the most favorable business climates as companies continually seek the most favorable location to successfully compete in the global economy. Companies who are already here in the state are asking themselves the same question, "Can we compete from our Michigan-based location in this state's business climate?" The regulatory environment, employment policies, tax burdens, workforce training and economic development efforts all play critical roles in where companies choose to operate now and in the future.

Michigan's new economic development incentives successfully attracted \$17 billion in capital investment, creating over 15,000 new jobs in Michigan since the establishment of the Strategic Outreach and Attraction Reserve (SOAR) fund. Still, most of the U.S.-based investments in new electric vehicle battery production have gone to other states. Michigan must continue to make our business climate more competitive in the national and global economy. If we hope to diversify our economy, we must attract new talent and retain the core of our manufacturing-based economy.

Looking at the states where new electric vehicle and battery production projects have been invested, one characteristic stands out. They are almost exclusively Right-to-Work states. It is clear to us that if Michigan loses its decade-long status as a Right-to-Work state, Michigan will remove itself from the list of states for potential new investment for both companies outside of Michigan and those who are already here. Whether the new investment is related to electric vehicle and battery production, or based in the knowledge economy, semiconductors, or green energy, Michigan will lose future investment and we will lose good-paying manufacturing jobs.

The choice is clear. Michigan must compete for these technological transforming jobs and projects or we risk losing them to states that choose not to interfere with employee choices: states that have preserved the Right-to-Work. The Right-to-Work law respects employee freedom to choose where they want to live, work, and raise a family, while mandating union membership destroys it.

If we make the wrong choice, Michigan will lose jobs, people, and families all to the detriment of our collective economic future.

We urge the Legislature to avoid the clear negative job and economic impacts of eliminating Michigan's Right-To-Work policy. Instead, we ask that you implement policies that make us more attractive by increasing worker training, expanding the career exploration curriculum in the K-12 system, creating R&D tax credits, and improving the state's regulatory permit process.

This is a time for the Legislature to communicate clearly to manufacturing investors that Michigan is open for business and we have the right skilled workforce to make their investments successful in the face of global competition. Repealing our Right to Work moves us in the wrong direction.

We urge a NO vote on House Bills 4004 and 4005.