

GRETCHEN WHITMER

GARLIN GILCHRIST II LT. GOVERNOR

EXECUTIVE DIRECTIVE

No. 2022-8

To: State Department Directors and Autonomous Agency Heads

From: Governor Gretchen Whitmer

Date: August 2, 2022

Re: Supporting and Growing the Semiconductor Industry in Michigan

Last week, Congress passed the Creating Helpful Incentives for the Production of Semiconductors for America and Science Act of 2022 ("CHIPS and Science Act"). This game-changing law will invest billions of dollars in domestic semiconductor manufacturing, bring supply chains home, enhance scientific research, promote U.S. innovation, create new opportunities for economically disadvantaged and underrepresented populations, and lower costs for working families facing inflation.

Further, the CHIPS and Science Act's \$2 billion in incentives targeted at increasing production of "mature node" semiconductors is essential for our auto industry and will get new vehicles out of lots and to the people who have been waiting for them, helping to increase supply and lower transportation costs. In addition, the law supports high-quality STEM education at all levels so that our workforce is prepared for high-tech, high-skill careers.

As the federal government implements the CHIPS and Science Act, Michigan is ready to lead. Michigan provides an ideal location for investments in production, innovation, workforce development, and research and development. For decades, Michigan's manufacturing heritage —most notably as home to the "Big Three" automobile companies, countless top-tier suppliers, and highly-skilled organized labor—has guided our efforts to develop new and innovative mobility products. More than a century after the first automobiles rolled off production lines, continuous improvements from Michigan manufacturers will allow our state to lead the way and re-shore semiconductor manufacturing in the United States. My Administration is committed to attracting investment to our state, including through economic development incentives, that accelerates growth in high-paying jobs and positions Michigan at the forefront of technological change.

The CHIPS and Science Act directs the Department of Commerce to establish 20 geographically distributed regional technology and innovation hubs to support economic

development in innovation. Michigan should be host to a regional hub focused on technology development, job creation, and innovation. Our long history of technological innovation, a skilled union-trained labor force, our world-renowned universities, and a strong manufacturing base are just a few of the many reasons that Michigan is already a leader in the 21st-century economy.

Semiconductors are a strategic resource and are critical to our national security. My Administration is prepared to move rapidly and to collaborate with a range of partners to take full advantage of the opportunities presented by enactment of the CHIPS and Science Act.

Acting under sections 1 and 8 of Article 5 of the Michigan Constitution of 1963, I direct the following:

- 1. Departments and agencies must review the CHIPS and Science Act and take all appropriate steps, consistent with applicable law, to maximize Michigan's allocation of federal funds, including through supplying information about funding opportunities to partners that will invest in Michigan. To carry out this directive, each department and agency that may have a role in securing funding under the CHIPS and Science Act must identify, within 30 days, a designee from within the department or agency to oversee the department's or agency's efforts, facilitate inter-departmental coordination, and engage in outreach and planning with potential partners, including private companies, institutions of higher education, and neighboring states.
- 2. The Michigan Economic Development Corporation (MEDC) should continue engaging with the private sector to attract opportunities for companies that could manufacture semiconductors or engage in related research and development in Michigan. Other departments and agencies must support these efforts and otherwise contribute to helping Michigan attract long-term sustainable investments from companies around the world in the semiconductor industry.
- 3. The Michigan Department of Labor and Economic Opportunity (LEO) must coordinate with other departments and agencies to identify opportunities to support workforce development in the state geared toward the needs of the semiconductor industry and other STEM fields, including research and development and other innovation. This may include adapting existing workforce development programs, collaborating with partners such as institutions of higher education, establishing new programs to provide targeted education and training, and exploring opportunities to secure federal funding to support such programs. Departments and agencies must coordinate these efforts with MEDC.
- 4. To the extent that economic development projects related to the semiconductor industry require permits, licenses, approvals, or other actions by the State of Michigan, department and agencies must make best efforts, consistent with applicable law, to review and act upon applications or requests quickly and efficiently. Departments and agencies must make information available about relevant processes and/or timelines to applicants and take appropriate steps,

consistent with applicable law, to avoid duplication, streamline processes, and/or share information to expedite their review.

This directive is effective immediately.

Thank you for your cooperation in implementing this directive.

Gretchen Whitmer

Governor