

Thank you Chairman Wyden, Ranking Member Crapo, and Members of the Committee for the opportunity to speak to you today.

I'm honored to be representing the U.S. auto industry, which accounts for 18 million U.S. jobs. The manufacturers, suppliers and dealers that make up this complex system pump \$953 billion into the U.S. economy each year.

It's especially meaningful to be testifying in front of not one, but both of my home state senators, Rob Portman and Sherrod Brown, and Ford's home state senator, Debbie Stabenow. Our 53,000 Ford employees and more than 330,000 supplier and community partners are so fortunate to have you champion auto manufacturing in Washington.

My career at Ford started in 1993 as a manufacturing engineer in Cleveland. Since then, I've worked around the world for Ford, focusing on developing a well-tuned global supply chain. I'm speaking to you today as Ford's vice president of global commodity purchasing and supplier technical assistance, which purchased more than \$48 billion in goods and services from more than 5,000 U.S. suppliers in 46 states in 2019.

At Ford, we see ourselves as America's automaker – we employ the most hourly U.S. autoworkers, assemble more vehicles in the U.S. and export more vehicles *from* here than any other automaker. So we feel uniquely positioned to speak to the business environment needed to continue our winning strategy.

We've supported communities and families across this country for 117 years. When America has needed us to step up and aid the safety and security of the nation, we have responded. From World War II to this global pandemic, we've been on the frontlines.

Starting last year, Ford, along with our UAW partners, produced masks, reusable gowns, test collection kits, face shields and ventilators to meet the COVID-19 emergency. Our ability to quickly shift from manufacturing vehicles to manufacturing personal protective equipment was largely because of our unique U.S. manufacturing footprint. Many of the supplies we used to make face shields, respirators and ventilators were already in our U.S. plants and warehouses.

It's a case study in how powerful and responsive our industry can be if the materials and parts we need to build a new generation of vehicles are easily attainable. And that brings us to today.

The global industry is driving a transportation revolution. The shift to electric vehicles will reduce our carbon footprint and change how auto manufacturers assemble vehicles.

By 2040, more than half the world's vehicles will be electric, and the vast majority of new cars sold will be electric. Right now, China is home to 73 percent of the worldwide capacity for lithium-ion batteries, followed by the U.S., far behind in second place, with 12 percent. This is simply unacceptable.

Over the next few years, the growth in new manufacturing will be faster in Asia than in the U.S., further reducing our share of global battery manufacturing.

Recently, we've seen a semiconductor shortage force production cutbacks throughout the industry. Every auto company manufacturing in the U.S. has had production interrupted – Ford workers have seen weeks of suspended production at plants including Louisville, Chicago and Dearborn.

The semiconductor situation underscores our supply chain risk. There are dangerous parallels to the way electric vehicle batteries are sourced and developed.

In short, we must collectively do more to protect the future of manufacturing in America.

Ford already has committed \$22 billion to develop a new generation of electric vehicles and to reach carbon neutrality by 2050.

Last year, we spent more than \$5 billion in research and development in the U.S., representing 15,000 engineers and software developers, vehicle and powertrain prototypes, test labs and equipment.

That investment is reflected in the safety and connected vehicle technology you'll see in an all-electric version of our best-selling Transit commercial van, which will be built at our Kansas City plant, and an all-electric version of our best-selling F-150 pickup, which will be built in Dearborn.

We've been clear and are committed: The future is electric, and the future must include America.

For the U.S. auto sector to succeed, we'll need Congress and the Administration to support market-based consumer and manufacturing incentives, innovative new technologies, labor and plant transitions, and supply chain security.

We appreciate Senator Stabenow's leadership, not just as a champion for expanding the electric vehicle consumer tax credit, but for her recent introduction of the *American Jobs in Energy Manufacturing Act*. We embrace the proposal by President Biden that would provide a 10 percent advanceable tax credit for companies creating U.S. manufacturing jobs. We also support increasing existing R&D incentives for advanced battery and electric vehicle development, and continued immediate expensing of R&D.

Together, public and private support of electrification will ensure America not only competes as a leader globally, but wins. This is particularly important as Europe and China are already moving forward with robust electric vehicle adoption strategies and policies.

We at Ford stand ready to work with this Committee, Congress and the Administration on efforts to not only deliver world-class electric vehicles, but transition the supply chain and infrastructure to assure future economic and transportation stability and security for America.

Thank you.