

## A6 **OPINION**

THE MACOMB DAILY

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### GUEST COLUMN

## Mixed signals from regulators threaten Michigan's manufacturing renaissance

The economic dislocation and supply chain disruptions caused by the COVID-19 pandemic threw the Michigan economy into turmoil. We are still working our way back, but the path is fraught with challenges and requires support from our public officials at every level of government. Unfortunately, federal regulators are giving mixed signals to our state's manufacturers at a time when they need clear direction and sound policy.

Experts estimate the global chip shortage cost the U.S. economy \$240 billion in 2021, and nowhere was that shortage felt more acutely than in Michigan's robust auto manufacturing sector. The dearth of chips essentially halted Michigan's auto industry and left hundreds of thousands of incomplete cars on lots. Over the last three years, we have seen legacy auto manufacturers and suppliers move forward on layoffs and plant closures that have rippled across our state.

At first, it appeared that our public officials got the message loud and clear as Congress passed, and President Biden signed, the CHIPS and Science Act, which dedicated significant financial support to shore up our semiconductor supply chain. However, in January, the EPA proposed a new rule to tighten the National Ambient Air Qual-

ity Standards (NAAQS) for particulate matter (PM) 2.5, which would impose undue hardships on Michigan businesses working to dig themselves out of the pandemic-induced rut.

As the president of a company that specializes in turning around underperforming businesses, I have a front row seat to the efforts being undertaken by Michigan industries to comply with the current NAAQS PM2.5 standards, a process that requires costly emissions controls, permitting programs, and consultation with outside experts. The newly proposed rules would only serve to complicate this process further and lead businesses to divert more resources to ensure regulatory compliance. Given the presently uncertain economic environment, plagued by inflation, a broken financial system, labor and supply chain woes, and depleted capital reserves, I fear many of our most vulnerable manufacturers are ill equipped to deal with such a transition at the moment.

The U.S. boasts some of the strongest environmental performance standards in the world, yet there are still areas of the country that are unable to achieve the current PM2.5 standards. Issuing stricter regulations will have dire consequences for areas currently in nonattainment and will make

permitting significantly harder for businesses across the country. This is at a time when our supply chains are finally giving serious consideration to reshoring within the U.S. due to lessons learned from the pandemic and other geopolitical risks on the horizon.

Michigan's business community, from automotive manufacturers to renewable energy producers, has been on the forefront of environmental stewardship, while creating jobs and generating economic growth. But for years, our state has experienced an exodus of talented individuals and companies who sought greener grass elsewhere.

We are finally on the brink of attracting once-in-a-generation capital investment for manufacturing facilities in our state — the likes of which have not been experienced since Henry Ford, himself, was active in building America's industrial base. More onerous standards and additional permitting challenges are not the right approach to further these goals. The Biden administration needs to give Michigan manufacturers the greenlight to invest and grow.

*Alex Calderone is the president and founder of the Calderone Advisory Group, an operational and financial consulting firm based in Birmingham that specializes in navigating distressed businesses through challenging situations.*



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