

## **Statement of Steve Dawes, Director, UAW Region 1D-Semi Conductor Chips**

My name is Steve Dawes. I am the UAW Region 1D Director. Region 1D serves the membership of 73 of the 83 counties in Michigan. I'd like to start by thanking Senator Peters for the opportunity to have this open discussion on semi-conductor chips and the impact they are having on our worksites.

Mr. Senator, on behalf of myself and the Region 1D membership, thank you for your continued fight for our country and Michigan working men and women.

To fully understand the chip issue as it relates to the automotive sector, one must understand the function of the modern automobile.

My references will primarily be related to General Motors Heavy Duty Truck Assembly Operations in Flint Michigan but will also run parallel to other vehicles.

Today's truck functions and accessories are almost fully run with electronics. Electronics control your brakes, steering, fuel management, radio, lights, cameras, heated seats, heated steering wheel, speedometer, dashboard-and those are just a few. Many of these functions were historically operated with cables, shafts, or mechanical methods. Now each of these functions are controlled by a dedicated module. Each of these modules contain chips.

These modules may contain one chip for the more basic function or many chips for the higher functioning module.

The shortage of these chips forces the company to make hard decisions determining where to send the limited supply they receive. Do they send them to car assembly or truck, SUV assembly? And what options can be eliminated or installed at a later date? Adding options later leads to extra costs and lack of product availability leads to customer dissatisfaction.

At Flint Truck Assembly, we build approximately 1000 trucks per day. For every single one that is being build, as we sit here, along with the ones that will be built next week, next month, and beyond, there is someone waiting on those vehicles. Although we are able to produce their trucks, many trucks are waiting on the chips/modules to arrive and be installed.

The chip shortage has and continues to affect customer demands. The inability to produce certain vehicles, such as the Equinox, leads to idled plants and workers not earning expendable income. Income that goes directly into our economy.

All this is proof that we need to build these chips right here in the United States of America where we control the quality and are not held hostage by overseas companies or delivery issues because a ship makes a wrong turn in a canal.

Build where proud Americans, after the birth of United Auto Workers in 1937, soon turned their factories into facilities mass producing military planes, tanks, weapons, and other essential

military product, supplying those who were defending our freedom in World War II. A country where today, the hard-working men and women take a box of bolts and raw sheet metal and built the highest quality vehicles around the globe. A country that is willing and ready to produce the next generation of vehicles, but they want to do it here. Right here where we live and play. Right here, the place we love. The good ole' USA.

Mr. Senator, we stand ready, able, and with unlimited, time-tested talent.

Let's build chips here, as well as, all the current technology and future technology. Let's do it here. Let's do it in our house!

Thank you again, Senator Peters, for this most honorable opportunity.