

# U.S. DEPARTMENT OF THE TREASURY

## Remarks by Secretary of the Treasury Janet L. Yellen at Ultium Cells in Spring Hills, Tennessee

February 8, 2023

### *As Prepared for Delivery*

Good afternoon, everyone. Thanks for that kind introduction. I'm grateful to the leaders and workers of Ultium Cells for having me here today. Construction sites like this give me hope – because they mean that we are in the process of building something new. In this case, it's a 2.8-million-square foot factory with some of the most advanced battery manufacturing processes in the world. And it's a factory that will support 1,700 high-tech jobs.

The good news is that new factories are not just being built in Spring Hill. All over the country, we are seeing a wave of investments in American manufacturing. This is thanks to the hard work of leaders like Representative Steve Cohen from Tennessee. As the President laid out last night, the Biden economic plan is working – and the results are beginning to reveal themselves.

Today, I'd like to speak to you about the President's economic plan: the progress we've achieved and the work that lies ahead. I'll first begin with our plan to rescue the economy from the depths of the pandemic. That was in 2021. Then, I'll turn to the historic economic legislation we enacted in 2022. And finally, I'll talk about 2023 and beyond: the years when we harness the promise of our plan.

### **2021: A HISTORIC ECONOMIC RECOVERY**

When the President took office, our country was in the depths of the pandemic. About 400,000 Americans had died from COVID. Three thousand more were dying each day. The public health calamity had triggered an economic one. In January 2021, about 800,000 Americans were filing jobless claims each week. That was higher than the worst moments of the Great Recession. The effects of this economic catastrophe were not just captured in staggering numbers. They were felt by millions across the country. Two years ago, President Biden said in his first

address to Congress that: “one of the defining images...of this crisis...has been cars lined up...for miles... waiting for a box of food to be put in their trunk.”

The truth is: in 2020 and 2021, we faced the tail risk of an economic crisis that could match the Great Depression. Short of that, we faced the possibility of a protracted economic downturn that would cast a long shadow on the rest of the decade – with millions of homes, businesses, and livelihoods lost, many to never return.

So, the President acted decisively. We launched a vaccination campaign to put shots in arms. Through the American Rescue Plan, we provided immediate relief to households, businesses, and state and local governments.

Our plan worked. The past two years have seen a historic recovery. In fact, the pace of our recovery has exceeded many of the more optimistic expectations at the beginning of our Administration. And our economy remains resilient – even as it has been tested by a series of back-to-back global shocks.

Take the labor market. The data is clear: our country is back to work. We’ve seen historic employment gains in the past two years. As of last week’s jobs report, over 12 million new jobs have been created since the President took office. Moreover, this resurgence has been inclusive and broad-based. The unemployment rate has been near record lows for Black and Hispanic Americans. And it reached an all-time low for people with disabilities in December. More broadly, across many metrics, Americans are largely in better financial shape than before the pandemic began. The rate of Americans without health insurance reached an all-time low in 2022. Foreclosures rates remain below pre-pandemic averages.

Through the American Rescue Plan, we also helped small businesses stay afloat. But not only that. Since the beginning of the Administration, Americans have applied to start 10 million new businesses. That’s more than in any other two-year period on record. Our economic agenda has jump-started a wave of entrepreneurship that will have lasting effects in the years to come.

Of course, we still face serious near-term challenges. Our Administration’s top economic priority has been to tackle inflation. While inflation remains elevated, we are seeing encouraging signs that supply-demand mismatches are now easing in many sectors of the economy. Over the past two years, we have worked successfully to ease supply chain pressures. That includes funding pop-up container yards and moving several ports to 24/7 operations. The President has helped stabilize energy prices through a historic release of our

Strategic Petroleum Reserve – as well as the release of millions of barrels from our allies and partners. And where we could not expand supply, we delivered cost relief. Our historic laws have helped many Americans save their hard-earned money – from the cost of insulin to the price of high-speed Internet.

As you heard last night, the President and I will continue to work hard to support families – many of whom are still feeling the squeeze of high prices.

## **2022: ENACTING A HISTORIC SUITE OF LEGISLATION**

As our economy continues to transition to steady and healthy growth, I believe that the United States is uniquely positioned to capitalize on the future. Last fall, I toured the country to see the early effects of our transformative suite of legislation. In the past 15 months, we have enacted our generation’s most ambitious investment in infrastructure; led a major expansion of American advanced manufacturing; and passed the boldest climate action in our nation’s history.

Let me speak to the three main economic effects of these laws: increasing our productive capacity, bolstering our economic resilience, and creating a more inclusive economy.

First, the President’s economic plan is boosting America’s productive capacity. For many years, economists forecasted sluggish growth for the American economy over the next few decades. A country’s long-run growth potential depends on, among other things, the size of our labor force and the productivity of our workers. Our potential was being weighed down by slow productivity growth – along with an aging population that was constraining growth in our labor supply.

Faced with these structural challenges, our Administration is pursuing an economic strategy called “modern supply-side economics.” With an economy at full employment, we are undertaking a supply-side expansion that invests in our workforce and its productivity. These investments raise the ceiling for what our economy can produce.

Let’s take the example of the Bipartisan Infrastructure Law.

Serious economists agree that infrastructure investments can boost productivity and growth. And yet, for decades, we neglected our roads, bridges, public transit, and ports. Over 40,000 bridges are in poor condition. Nearly 900 of those are in Tennessee alone. Beyond traditional infrastructure, millions of Americans still have no access to high-speed Internet service. During the pandemic, I heard heartbreaking stories of parents searching for wi-fi signals outside

public libraries and coffee shops – just so their children could complete their homework online. Let me be clear: no parent or child should ever have to do this.

So, we are making a generational investment in our infrastructure. We've announced thousands of projects under our economic plan. Better public transit to help get students to school. Port improvements to strengthen supply chains and efficiently transport goods to American consumers. Broadband projects to connect millions of unserved and underserved households to high-speed Internet – with much more to come. Airport expansions to help reduce delays – like the one announced for Chattanooga Airport just two hours from here.

Infrastructure is the lifeblood of our economy. And the President and our Administration are finally treating it as such.

Second, our plan is strengthening America's economic resilience.

Three decades ago, the United States made up 37 percent of global semiconductor production. Today, we produce only 12 percent. With the most advanced chips, we lack any meaningful manufacturing capacity at all.

We've seen the acute impacts of a chip shortage on the economy. In 2021, this shortage meant a loss of about \$240 billion in U.S. GDP. In Tennessee, companies like Nissan had to temporarily shutter production – and consumers faced skyrocketing prices for cars and other everyday goods.

Our economic plan is investing in economic resilience. The goal is to mitigate shocks like the ones we experienced to our chip supply. Through grants, loans, and tax credits, we are nurturing the growth of a semiconductor ecosystem in the United States. Our investments in areas like manufacturing and R&D will help mitigate economic and security risks. We are already seeing how expansions of U.S. manufacturing have reverberating effects on local communities. For example, Intel is building a \$20 billion semiconductor plant in Ohio – while also investing tens of millions to help train the next generation of chipmakers there.

Third, our plan is broadening economic opportunity across America. Building a more inclusive economy is a moral imperative. It's also good economics.

For too long, the American economy has been characterized by widely divergent economic conditions across places. Studies have shown that there are wide gaps in poverty rates, median household incomes, and even rates of opioid addiction across counties in the United States. Too many places were being left behind. Regions that were once hubs of economic activity have suffered from massive disinvestment.

We faced a challenge. The transition to a clean energy economy is one of the most transformative in modern history. How do we make sure that this transition is inclusive – so that all of America can reap its benefits?

Enter our economic plan. The Bipartisan Infrastructure Law is laying the groundwork for clean infrastructure in cities and towns across America. The Inflation Reduction Act is offering meaningful tax credits to spur clean energy investment and production. Importantly, the law deliberately encourages place-based investments. It offers additional incentives for businesses to invest in low-income and historic energy communities. And it also requires employers to pay prevailing wages and employ apprentices to receive full credits. That's a requirement that went into effect last month.

The early results are clear: the President's economic plan is beginning to drive a renewal across the country. For example, we've seen a burst of clean energy manufacturing investment in the Midwest and the South. Think about where we are today: a new, state-of-the-art factory that will soon deliver batteries for electric vehicles assembled by GM next door. Just north of us, in Kentucky, Ford and SK On just broke ground on an electric vehicle battery park. South of us, in Georgia, solar panel firm QCells will build a massive new plant outside of Atlanta – which is expected to generate 2,500 jobs. East of that, just outside Charleston, Redwood Materials has announced plans to build a multi-billion-dollar facility to recycle and refine battery components. Its investment is the largest economic development announcement in the history of South Carolina. And its facility is estimated to eventually employ 1,500 workers.

The Inflation Reduction Act was signed into law a mere six months ago. Since then, clean energy firms up and down the supply chain have announced tens of billions of dollars in projects that will create thousands of high-quality, good-paying jobs. One analysis indicates that 2022 was a record year for EV battery manufacturing in particular. Last year alone, more than \$73 billion in planned projects were announced.

## **2023 AND BEYOND: TURNING THE PROMISE OF OUR ECONOMIC PLAN INTO ACTION**

So – what comes next?

Now that these bills have been signed into law, it's our task to turn their promise into reality. Treasury and other agencies are already hard at work implementing the Biden economic plan. For example, last fall, we announced a series of initiatives to accelerate infrastructure

deployment. We are strengthening and accelerating federal permitting reviews. We also launched a Talent Pipeline Challenge to make sure that we are training a highly skilled, diverse infrastructure workforce – one that will be ready to take advantage of the new opportunities in the Bipartisan Infrastructure Law.

At Treasury, our focus is on effective implementation of the Inflation Reduction Act; nearly three-quarters of the law’s climate investments are delivered through tax incentives. To do so, we are bringing a broad and diverse set of stakeholders to the table. And we are working expeditiously to maximize the economic benefits of the legislation – while making sure we enact effective guardrails so benefits are delivered as intended.

Over the next year, I suspect that you will see activity accelerate. More ideas turning into plans. Plans into construction sites – just like this one. And construction sites into bustling factories. And with it, I hope, a renewed sense of optimism about America’s future.

Let me close with this: I just returned from my first trip to Africa as Treasury Secretary. I met with a variety of people during this trip: from presidents to farmers to entrepreneurs. In all of my interactions, each of them carried a fundamental sense of confidence about the future of the United States. Those across the world know that the world is better when the United States is strong at home.

The President and I could not agree more. There will be challenges to come. And there will be difficulties. But as the President said last night, “The story of America is a story of progress and resilience – of always moving forward.”

For all that Americans have faced in the last three years, I am convinced now, more than ever, that progress is possible. Together, we can provide a better life for millions of Americans. We can build a country that is more inclusive and resilient. And we can sustain our leadership in the 21st century.

Thank you.

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