

**TESTIMONY BEFORE THE
HOUSE COMMITTEE ON WAYS AND MEANS
April 14, 2010
Washington, DC**

**Dr. Stephanie A. Burns
Chairman, President and Chief Executive Officer
Dow Corning Corporation**

Good afternoon, and thank you Chairman Levin and Representative Camp for extending an invitation to join you this afternoon; it is indeed an honor and my pleasure to be here.

As you know, America is at the dawn of a new energy era – a transformation that will provide more clean energy-producing options like solar, wind and other renewable sources, as well as energy efficiency products. Dow Corning is one of the world's leading providers of silicon-based materials that contribute along the entire solar value chain – most notably, at the very beginning of the manufacturing supply chain with polycrystalline silicon. Our materials are also important components of many energy efficiency technologies from automotive to appliances and especially in green building construction.

As a result, I know firsthand that America's energy transformation is inexorably linked to our nation's economic and manufacturing future.

Such a transformation will require that we forge a new path forward with federal leadership and private industry investment. Working together, we can achieve integrated policy prescriptions that address education and workforce development, advanced manufacturing, technology deployment and market readiness. With forward-thinking leadership and management, this transformation will bring with it new industries, hundreds of thousands of new jobs, a sustainable source of economic growth and a reduced carbon footprint that is good for our country and for our global environment.

In the past five years, Dow Corning has announced more than \$5 billion in investments in solar technology. Most of that is in capital for advanced manufacturing operations for polycrystalline silicon. It also includes other operations like research & development and materials that improve the performance and cost efficiency of solar cells and modules. And for nearly 70 years, Dow Corning has provided products focused on energy efficiency and sustainability.

Other nations have enacted aggressive policies to support the growth of the renewable energy industry. Companies that hope to manufacture in the United States are faced with a tax structure that encourages them to do otherwise. It is time for America to enact policies that will essentially assure this industry grows here. We must increase domestic consumer awareness and demand for renewables and energy efficiency products, and make sure that the products to meet that demand are manufactured here.

The Advanced Energy Manufacturing Tax Credit included in the American Recovery and Reinvestment Act was a significant first step toward establishing new clean-technology manufacturing jobs here in the U.S. This tax credit is encouraging companies such as Dow Corning and our joint venture Hemlock Semiconductor Group to manufacture solar and other renewable energy-related materials here in America. As a result, we are seeing thousands of jobs in construction, engineering, science and skilled trades. I'm pleased to tell you that Dow Corning benefits from the Advanced Energy Manufacturing Tax Credit, our customers are benefitting, and that the green jobs in our operations are real.

As you know, however, this tax credit was capped at \$2.3 billion, and was significantly oversubscribed. Both the White House and the Department of Energy have said that there were many viable projects that were not funded. With that in mind, I hope that this credit can be made permanent in any Energy, Climate, or Jobs bill now under development. This will help propel America into an era of sustained, renewable energy use and help put Americans back to work.

To build on that and truly implement the transformation before us, Dow Corning proposes a four-point plan to address the technical, legislative, regulatory, manufacturing and workforce-related factors that influence America's ability to develop a thriving, domestic, renewable energy industry.

First, we encourage Congress and the Obama Administration to enact new federal policies and regulations that will encourage the rapid development and deployment of energy efficient and renewable energy technologies. We can create new jobs and businesses and promote U.S. competitiveness in the global market, improve the environment and increase our energy security. Federal tax incentives that spur domestic manufacturing, a robust federal Renewable Electricity Standard, and federal interconnection and net metering standards are all part of that effort.

There is an immediate need for targeted tax credits for manufacturing. Despite anticipated domestic growth in renewable-energy installations, the majority of manufacturing occurs outside of the United States. With countries like China, Germany, Malaysia and the Philippines all courting American companies with roughly 40 percent manufacturing tax credits and high demand markets, the United States needs to consider comparable approaches to encourage the growth and stability of a domestic market. When a corporation is looking to build a manufacturing facility, we need to ensure that the competition for the site is between states here at home, not countries overseas.

Second, we advocate increased federal funding for research and development to accelerate solar technology innovation and advance solar manufacturing capabilities.

Third, we support the need to develop a green collar workforce, by supporting training programs – like the programs Dow Corning is already co-sponsoring with Delta College in Michigan and Austin Peay State University in Tennessee – as well as training partnerships with non-profit organizations and Centers of Excellence at academic institutions nationwide.

Fourth, we need the federal government to “lead by example” in the implementation of clean technologies, through procurement of on-site generation, building retrofits for energy efficiency, and new, green building standards.

Finally, but certainly no less important, Congress must ensure that new policies to reduce greenhouse gas emissions do not inadvertently discourage growth in the manufacturing and production of renewable energy sources.

Dow Corning employees are coming to work every day, energized to be part of the solution. We are committed to a climate of collaboration, creativity and urgency for greater energy security. As a global company, we know it is fundamental to protecting our nation's competitiveness in the decades to come.

We are hopeful that Congress will continue to do its part by enacting policies and incentives to encourage private sector investment. We look forward to working with each of you as we move to a clean energy economy that protects our environment and secures our energy independence. Thank you.