

US offers \$12 billion for automakers, suppliers to make advanced vehicles

WASHINGTON, Aug 31 (Reuters) - The United States is making \$12 billion available in grants and loans for automakers and suppliers to retrofit their plants to produce electric and other advanced vehicles, Energy Secretary Jennifer Granholm told reporters on Thursday.

The Biden administration will also offer \$3.5 billion in funding to domestic battery manufacturers, Granholm said.

For the advanced vehicles, \$2 billion of the funding will come from the Inflation Reduction Act which Democrats passed last year, and \$10 billion will come from the Energy Department's Loans Program Office, Granholm said.

Speeding grants and other subsidies to fund conversion of existing auto plants to build electric vehicles could help the White House blunt criticism from automakers and the United Auto Workers (UAW) union over proposed environmental rules aimed to help usher in the EV era.

The UAW [has warned](#) that such a rapid change could put thousands of jobs at risk in states such as Michigan, Ohio, Illinois and Indiana. Shawn Fain, the UAW president, has campaigned to save a Jeep factory in Belvidere, Illinois, that Stellantis ([STLAM.MI](#)) has [put on track](#) to shut down. The automaker has left open the possibility that the factory could get a new product with government aid.

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