

# Only question is 'when,' not 'if,' for NextEnergy proposal

Often the best time to judge the impact of a seemingly bold new idea is a couple of weeks after it's announced. By that time, the various interest groups — both pro and con — will have had a chance to weigh in. And there's nothing like the sudden glare of public disclosure to highlight previously obscured defects in conception or execution.



Phil Power

gram would:

- Create a NextEnergy Center that would sponsor research, stimulate commercialization and provide technical help to auto manufacturers in developing an energy technology that doesn't rely on petroleum-based internal combustion engines. Engler compared the center to Silicon Valley in California, which spawned the computer revolution.

- House all this work on a 700-acre state-owned site south of Ann Arbor. Doug Rothwell, CEO of the MEDC, says ground should be broken by the end of this year.

- Solidify Michigan's position at the core of the U.S. auto industry. Experts believe the industry is in the process of moving from gasoline-powered engines to power trains based on fuel cells, chemical devices that convert hydrogen or methane to electricity. Fuel cell research is scattered all over the world at present, and the NextEnergy initiative is designed to concentrate energy research right here in Michigan.

- Make good business sense. By 2010, the market for fuel cells could grow from \$220 million today to \$95 billion, according to Engler. Moreover, at least 100,000 Michigan jobs depend directly on making gasoline-based power trains — jobs that are under direct threat as fuel cell technology gets adopted.

So far, reaction has been overwhelmingly positive," according to Rothwell. "In all the days I've been on this job, I've never had an issue that has been so universally applauded." Auto industry

executives like the idea of coordinating (and subsidizing with public funds) research into alternative energy sources, while environmentalists are enthused at ending the days of the air-polluting, carbon emitting gasoline engine. And who knows about a continued supply of oil from the Middle East?

Rothwell has been in Washington in recent weeks, scuffling up more dough to match the state's multi-million commitment. The idea is to try to earmark appropriations to the Interior and Energy Departments, relying on the Michigan congressional delegation and on Energy Secretary (and Engler chum) Spencer Abraham. "The entire congressional delegation, both sides of the aisle, are very supportive," according to Rothwell, while federal agencies "tell us this is the best proposal they've ever seen."

NextEnergy advocates are already talking with the auto companies about consolidating their pre-proprietary energy and fuel cell research into the Center, while links are being forged with University of Michigan scientists just up the road.

Of course, problems have come to light. One possible hitch has to do with the habit of university scientists to treat work like this as purely basic research. A heavily funded initiative to concentrate development of flat-panel displays at the U-M College of Engineering collapsed a couple of years ago for exactly this reason.

Another difficulty arises from the fact that Michigan is relatively late in the fuel cell competition. California already has a Fuel Cell Partnership, with eight automakers, four major energy companies and Ballard Power Systems, the world's leading fuel cell manufacturer, as members. Ohio's governor, Robert Taft, is expected to announce soon his own fuel cell initiative, and Indiana, Texas, Minnesota and New Jersey are all interested.

More broadly, the auto industry is evidently thinking hard about the basic nature of the automobile. The GM Autonomy concept car, unveiled at the auto show in January, has a skateboard chassis and interchangeable body types to hang on it. Some experts ponder whether the car of the future is an automobile with an electric motor in it or an electric device with wheels on it. Such radical thinking could drastically change the prospects for NextEnergy.

But three weeks out, things are looking pretty good. "The only question is 'when,' not 'if,'" says Rothwell, with a grin.

**Phil Power is Vice Chair of the Michigan Economic Development Corporation, as well as chairman of HomeTown Communications Network Inc., the company that owns this newspaper. He welcomes your comments, either by voice mail at (734) 953-2047, ext. 1880, or by e-mail at ppower@homecomm.net.**



Mike Malott

already packaged right inside the same jar. What a marvelous little marketing idea. It's a great time saver for those of us who have kids. Now parents can dole out peanut-butter-and-jelly sandwiches from a single jar with just one swipe of the knife.

Of course, they still sell the two products separately too. So if you just want peanut butter, you can have that. Or if you want yours with strawberry jelly, or cherry jelly, or whatever, you have that too.

The point is, this business gives you a choice.

On the other hand, Michigan's run-government-like-a-business Republicans are getting ready to put a \$2 billion bond issue on the ballot this fall to pay for infrastructure improvements. In this case, they've decided to jam sewer improvements into the same package with school construction.

If put on the ballot as currently designed, voters will have no choice but to take the two together, or not at all. You'll have to eat grape jelly with your peanut butter because some state senator decided that you should.

The proposal is Senate Bill 1137, sponsored by Republican Senator Leon Stille, from Spring Lake, and already approved by the GOP-controlled upper chamber.

The House is expected to take up the issue soon, and hopefully, Republicans there will render a little consumer choice to the issue by splitting the two proposals.

SB 1137 would authorize a \$2 billion bond issue, to be used as a revolving fund to make low interest loans to local communities for construction or upgrades of sewers and schools. In the case of schools, the interest rate would be adjusted according to the district's ability to pay. The poorest districts would be eligible for zero interest loans. Stille wants the two kept together because he believes both needs are critical.

No argument there. The sewer problem has been the most discussed. Federal money for sewer construction has dried up in recent years, so many suburban communities are struck growing populations pumping more waste water into aging, deteriorating sewer pipes that were designed for many fewer residents. The result has been an increase in the number of sewer overflows across the region. The Southeast Michi-

# State bond issue shouldn't be an exercise in marketing

Been to the grocery store lately? Perhaps you've noticed that the nation's leading maker of peanut butter has started selling its product with grape jelly

gun Council of Governments estimates the cost of addressing sewer needs in municipalities in the metro Detroit area alone at as high as \$30 billion. A \$1 billion revolving fund is only a start.

Homeowners should note that the state supreme court has recently upheld a new state law that means municipalities will no longer be held automatically responsible for sewer backups that damage basements. Communities will have immunity unless there was some negligence involved.

**What everyone has to understand is that the ultimate solution is not figuring out who pays for the damage — it is building a new sewer line large enough to prevent the overflows in the first place.**

What everyone has to understand is that the ultimate solution is not figuring out who pays for the damage — it is building a new sewer line large enough to prevent the overflows in the first place.

As for school buildings, they've been overlooked. Proposal A solved the problem of paying for operations, but districts still have to float bond issues for construction. Some districts don't even have a large enough tax base to do the work. In others, voters have been less willing to approve the necessary bond issues. By cutting interest rates, lawmakers hope they can entice voters in local districts to accept the bond issues needed to fix or replace aging schools.

"Together they have a better chance of being passed," according to Stille's office. "This way you'll have multiple communities coming forward to support this because one of the proposals will be good for them, or both."

"I don't see the nexus between the two issues," Rep. Bruce Patterson (R-Canton) counters, who wants to split the issues. "I would not want to see a coalition come forward in an attempt to kill one or the other and end up eliminating both."

I agree more with Patterson, but ultimately both are talking about how to package the proposals to assure passage.

Instead they should give voters their choice, even if it means they have to try to sell both ideas to voters separately. It's their money. Ultimately, it should be their choice.

**Mike Malott reports on the local implications of state and regional events. He can be reached by phone at (517) 648-7125 or by e-mail at mmalott@homecomm.net.**

## Congratulations!

### Jeanne Towar

Vice President of HomeTown Communications Network and Publisher of The Birmingham Eccentric®



Recipient of the Michigan Women's Foundation "Women of Courage and Achievement" award.



The Michigan Women's Foundation promotes economic self-sufficiency and personal well-being for women and girls to maximize their contributions to society.

- Named one of Michigan's 95 most powerful women in business and industry, the law, communications, education, medicine, the arts and public service by Corp! magazine.

- Named one of the top 100 of the metro Detroit area's most influential women by Crain's Detroit Business in its March 18-24 edition.

- Recipient Distinguished Citizen Award from Creative Arts Center.

**HomeTown COMMUNICATIONS NETWORK™**

Putting you in touch with your world.

36251 Schoolcraft, Livonia, MI 48150 734-591-2300

Publishers of

The Observer & Eccentric Newspapers • HomeTown Newspapers • Mirror Newspapers • HomeTown Directories

Working hard for over 140 years.

## What's so special about Friday, May 3rd?



## Come Celebrate Fifth Third Day With Us And Enjoy This Great Rate.

Stop by any of our 74 Banking Centers on May 3rd, Fifth Third Day and get 5.30% interest on a 53-month CD, plus register to win interest for one day on \$5.3 million.\*



**Fifth Third Bank**

Working Hard To Be The Only Bank You'll Ever Need.

www.53.com

\*Minimum deposit of \$1,000 required. Rates shown are for CD deposits under \$50,000. You must visit a participating Southeast Michigan Fifth Third Banking Center on Friday, May 3, 2002 to open this special CD product. Annual Percentage Yield accurate as of 5/2/02. Ready for early withdrawal. Rates and terms subject to change without notice.

\*\*No Partial Withdrawal: To enjoy complete official entry form found at a participating Southeast Michigan Banking Center and drop it in the box, or hand print your name, address, telephone number and the words "Fifth Third Day Sweepstakes" on a 3" x 5" card and mail entry to Fifth Third Day Sweepstakes, 1000 Town Center, Suite 1300, Southfield, MI 48075. All entries must be postmarked or dropped in entry box between April 29, 2002 and May 3, 2002, and if mailed, received by May 4, 2002. Odds of winning depend on number of eligible entries received. Average retail value of prize is \$100.00. Must be Michigan resident 18 years or older and not an employee of Fifth Third Bancorp or any of its affiliated companies or a member of those employees' immediate families at time of entry. Void where prohibited by law. For more details see Official Rules available at participating Southeast Michigan Banking Centers. Sponsored by Fifth Third Bancorp. Fifth Third and Fifth Third Bank are registered service marks of Fifth Third Bancorp.

Member FDIC Equal Housing Lender