

Federal stimulus plan includes possible help for the Volt, but Flint's benefit uncertain

by Ron Fonger | The Flint Journal
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Associated Press file

General Motors' Chevy Volt is seen on display during opening day of the North American International Auto Show on Saturday, Jan. 17, 2009 in Detroit.

FLINT, Michigan -- The electric Chevrolet Volt gets a boost in the stimulus package President Barack Obama is expected to sign Tuesday.

But how much of that benefit spills over to the Flint area is still a guess given the uncertain future of a new Volt engine line and battery pack assembly plant expected to be build somewhere in Michigan.

The Flint Journal could not reach a GM spokesman for comment on the bill Monday, but one expert said without the new federal incentives, the Volt might never have made it to showrooms.

"I think without (the subsidies) the vehicle was not going to happen," said George T. Haley, a professor of marketing and international business at the University of New Haven.

"The tax credit is significant, (making this) the first time these vehicles will be economically sensible," Haley said. Without the incentives, "economically they were a bad deal."

"These tax credits make them a good deal."

Flint's connection to Volt hasn't yet been cemented, but GM officials have repeatedly said they intend to build a gasoline, add-on engine for the electric vehicle in the city.

Earlier this year, the company canceled construction contracts to build a new engine plant here, but officials have said they are still interested in putting the new engine line in an existing Flint factory. The Flint-made engine would recharge Volt batteries on trips longer than 40 miles.

It's even less certain what role -- if any -- Flint will have in battery pack assembly. GM has only said the packs will be built in Michigan.

"The possibility is there. It's real," said state Rep. Lee Gonzalez, D-Flint Twp. "We're going to be in the hunt... .

"We are in fact in the middle of this wonderful new business sector," Gozalez said.

U.S. Rep. Dale E. Kildee, D-Flint, said the future of the Volt will spill over and benefit Flint even though the marriage has gotten off to a rocky start.

Incentives that drive up sales of the Volt "has to help Flint," Kildee said. "These incentives add another element of certainty to production."

Kildee, co-chairman of the House Auto Caucus, said he believes GM Chairman Rick Wagoner also is committed to bringing the Volt engine work to Flint.

"Thing have been so uncertain ... but he would like to deliver on his word to get this thing back on track," Kildee said.