NATIONAL ASSOCIATION OF Manufacturers

NAM Secures Manufacturing Priorities in CHIPS-Plus Act

The U.S. Senate released the CHIPS-Plus Act on Monday, July 18, following months of negotiation to turn the Senate's United States Innovation and Competition Act (USICA) and the House of Representatives' America COMPETES Act into a final China competition bill. The CHIPS-Plus Act reflects a bipartisan agreement on many of the sections of both bills.

After months of working closely with manufacturing allies in Congress and the Biden administration, the National Association of Manufacturers has ensured several manufacturing priorities are included in the CHIPS-Plus Act, which focuses on bolstering the nation's science and technology leadership and expanding our innovation arsenal to better compete with China and level the playing field. In the weeks and months ahead, the NAM will continue to advocate passage of this legislation while also pushing for action on other important provisions that are still being negotiated.

The NAM has been engaged deeply with all stakeholders in the creation of China competition legislation since its inception in 2021.

We have been in regular contact with House and Senate leaders, particularly Senate Majority Leader Chuck Schumer (D-NY) and Sen. Todd Young (R-IN), the bipartisan leaders of this effort. Leader Schumer recently addressed the NAM Board of Directors to thank us for our leadership and ask for our continued assistance. Previously, Sen. Young met with the NAM Executive Committee to provide an update on the ongoing efforts, and Sen. Mark Warner (D-VA), another leader in this effort and current chairman of the Senate Intelligence Committee, hosted a classified briefing on China for the NAM Executive Committee.

Additionally, the NAM has been in direct and sustained contact with the 107 House and Senate members who were on the conference committee to negotiate the China competition bill, and worked closely with the Biden administration, including Commerce Secretary Gina Raimondo, to coordinate efforts to secure final agreement.

Across the country, the NAM has worked with many of our member companies and partner organizations to host facility visits for members of Congress highlighting the need for action and have activated our grassroots networks to stress to members of Congress the need for action in the China competition space.

We continue to engage with all the above parties and others to emphasize the fact that there are many proposals in the China competition space that are not in this legislation that still need to be addressed and passed into law this year. We also continue to engage to ensure that no harmful provisions, such as the "card check" labor provisions and mandatory arbitration language, are included in any future legislative proposals.

This CHIPS-Plus Act makes numerous investments to support and strengthen strategic manufacturing capacity and includes the following funding levels:

- $52 billion in funding for semiconductor research, packaging and manufacturing incentives to improve domestic capabilities and reverse the decline in semiconductor manufacturing in the U.S.

- $1.5 billion in funding for a Public Wireless Supply Chain Innovation Fund to be managed by the National Telecommunications and Information Administration to spur more wireless innovation in the U.S. broadband market.

- $20 billion authorized for a National Science Foundation–led effort focused on domestic development of national and economic security critical technologies, such as artificial intelligence, quantum computing, advanced manufacturing, 6G technologies, energy and material science.

- $11 billion authorized over five years for the Department of Commerce to build regional innovation hubs to focus on technology development, job creation and expansion of U.S. innovation capacity.

- $9 billion authorized to strengthen the National Institute of Standards and Technology and its missions in support of Manufacturing Extension Partnerships, cybersecurity and manufacturing research institutes.

Additionally, the CHIPS-Plus Act includes the following measures:

- Creates a temporary 25% advanced manufacturing investment tax credit for qualified investments relating to semiconductor manufacturing (e.g., buildings and property integral to the operation of the advanced manufacturing facility). Taxpayers may choose to receive the tax credit in the form of "direct pay." Credit applies for property placed in service after Dec. 21, 2022, and for construction beginning before Jan. 1, 2027.

- Authorizes funding over the next five years to the NSF to increase the growth and diversity of the semiconductor industry and broader STEM workforce.

- Creates the National Supply Chain Database administered by NIST to assist businesses with supplier scouting and minimizing supply chain disruptions.

- Creates the Regional Clean Energy Innovation Program within the Department of Energy to promote economic development of diverse geographic areas in the U.S. by supporting clean energy innovation.

- Creates the Critical Minerals Subcommittee within NIST to help with federal coordination of critical minerals research programs.

- Creates the Foundation for Energy Security and Innovation within the DOE to allow the agency to engage with the private sector to raise funds that support the creation, development and commercialization of innovative technologies that address tomorrow's energy challenges, including accelerating commercialization, convening thought leaders and training tomorrow's workforce.

- Authorizes the National Clean Energy Tech Transfer Program within the DOE to support incubators that accelerate the commercial application of clean energy technologies by providing a physical workspace or support, such as business education and mentorship to clean energy technology startups or companies.

- Authorizes the Low-Emissions Steel Manufacturing Research Program within the DOE for the research, development, demonstration and commercial application program of advanced tools, technologies and methods for low-emissions steel manufacturing, focusing on several key technology areas, including heat generation, carbon capture, smart manufacturing, resource efficiency, alternative materials and high-performance computing.