



Opening Statement of Chairman Frank Lucas

As Submitted for the Record

Full Committee Hearing

Chips on the Table: A one year review of the CHIPS and Science Act

September 19, 2023

Thank you, Secretary Raimondo, for joining the Committee today. Although I can't be there in person, I'm expecting this to be an informative hearing with productive discussions about the Department of Commerce and your work to support American competitiveness in semiconductors.

The CHIPS and Science Act was passed to achieve two goals – to bolster the domestic semiconductor industry and to support the basic research and fundamental science that keeps America at the cutting edge of scientific development.

The bill doubles down on basic R&D at the Department of Energy (DOE), National Science Foundation (NSF), and National Institute of Standards and Technology (NIST).

As I like to remind people, the “chips” portion of the bill will build factories today, but the “and science” portion will build American technology for generations to come.

This Committee has held multiple hearings touching on the research provisions in CHIPS and Science, but this is the first focusing on the chips incentives program.

That program was given \$50 billion in mandatory funding to increase domestic semiconductor manufacturing, research and development. That's a significant commitment, and it's crucial that these taxpayer funds are managed effectively and support the Congressional intent of the legislation.

That intent was to build up our chips production to shore up our supply chain, stay ahead of our adversaries, and reclaim our global competitiveness in this critical industry.

Before we passed this legislation, you made it very clear that you considered this a matter of high urgency and national security.

I tend to agree.

So I'm concerned that the first call for funding proposals came with a number of stipulations that are clearly more about fulfilling a political agenda than they are about building our chips manufacturing capabilities.

Extraneous provisions like requiring fabs to provide childcare or encouraging unionized workforces are less about building up domestic chip production than they are about pursuing a social agenda.

They add time and expense to fab construction and operation and we're working with a limited pool of resources on both of those.

Money that goes to meeting unrelated requirements is money that doesn't go to bolstering domestic semiconductor production.

It's important that we get this right not just for this program, but because this will affect our ability to make similar commitments in the future.

There will come a time when we need to make another substantial investment in science and technology and when that day comes, we will need to show positive results from this one.

So as we move forward, I encourage the Department of Commerce to keep in mind the Congressional intent of moving quickly and efficiently to build out our semiconductor industry.

I hope this hearing will serve as a productive discussion of the CHIPS program and how we can make it as effective as possible.

Thank you for your time, Secretary Raimondo.