

# Waiting game: Intel, other semiconductor companies waiting for CHIPS Act to start flowing

**Mark Williams**

Columbus Dispatch

A year after President Biden signed the CHIPS & Science Act, money from the \$52.9 billion bill has yet to start flowing to Intel and other semiconductor companies and suppliers counting on it as part of the Biden administration's plan to return production of the tiny, critical devices to the U.S.

The Commerce Department has not indicated when the first awards will be made, only that there's been great interest in the money, including from Intel, which is spending \$20 billion on two plants in New Albany in what is the state's biggest biggest economic development in history.

"We will start to give out the money later this year," Secretary of Commerce Gina Raimondo told CNBC this month. "We're pushing the team to go fast, but even more important, to get it right."

As Congress debated the bill, the Biden administration emphasized the need for speed to get the legislation passed for national security and economic reasons. Production of the devices that power everything from cell phones to cars to military equipment have largely shifted overseas the past few decades.

But since Biden signed the legislation at a sun-splashed Rose Garden ceremony at the White House, not a dollar has been spent.

"The federal government needs to deploy the money as fast as possible with as few regulations as possible," Lt. Gov. Jon Husted said.

Even though no money has been awarded so far, Biden said plenty has happened over the past year as the Commerce Department has built a staff of 140 from scratch to process the applications.

"Over the coming months, my Administration will continue to implement this historic law, make sure American union workers, small businesses, and families benefit from investments spurred by the CHIPS and Science Act, and make America once again a

leader in semiconductor manufacturing and less dependent on other countries for our electronics or clean energy supply chains," he said in a statement issued on the anniversary date.

Semiconductor projects on the rise since CHIPS Act signing

Since the CHIPS Act was signed, semiconductor companies and suppliers have committed to projects totaling \$166 billion, according to the White House.

The Biden administration says since his term started, total semiconductor investment has hit \$231 billion.

Intel alone has committed to \$43.5 billion in projects in Ohio, Arizona and New Mexico. Micron has announced an investment in New York that it says could reach \$100 billion over the next 20 years.

Also, dozens of America's universities, community colleges, and research institutions have announced partnerships with the private sector to train workers and invest in research and development. The Biden administration has picked central Ohio as a workforce hub to help coordinator training for workers.

Since February when it began taking applications, the federal government said it has received more than 460 statements of interest outlining proposals to manufacture chips and the relevant equipment and materials for making chips in America.

DeWine, Husted encourage federal government to support Intel project

Gov. Mike DeWine and Husted are encouraging the Biden administration to support Intel's application for aid as part of its \$20 billion project in New Albany.

"This is the largest private investment in Ohio history and will create 3,000 high-tech, high-wage jobs, 7,000 construction jobs over the course of construction, and an estimated 10,000 additional indirect jobs in the Buckeye State," the two said in a letter to Raimondo to mark the anniversary of the bill signing. "The full buildout of the site can accommodate up to eight fabs or more, and as President Biden referenced both at the signing ceremony for the CHIPS and Science Act and in his 2022 State of the Union, this site is 'the ground on which America's future will be built.'"

Officially, the Department of Commerce won't comment on specific applications during the evaluation process beyond saying demand for money has been strong.

Intel continues to say that the CHIPS Act is vital.

"We passed the most important piece of industrial policy since World War II," Intel CEO Pat Gelsinger said at the Aspen Security Forum, a national security and foreign policy conference, in July. "This is seminal."

Gelsinger said at the conference that the company plans to file applications for CHIPS Act funding for its manufacturing operations in Ohio, Arizona, New Mexico and Oregon.

Gelsinger said the application for the expansion project in Chandler, Arizona, was filed that week in July with the Commerce Department. Intel broke ground on the Chandler expansion in 2021, a year before the official groundbreaking of Intel's project in New Albany. Biden personally attended the New Albany groundbreaking ceremony.

"The new facility I build in Ohio will have \$30 billion invested before I get a penny in revenue," he said, using a number \$10 billion higher than what is typically used to describe the Ohio project.

Gelsinger didn't explain the number further, nor did he say when the additional applications for Intel's other operations would be filed. Intel did not respond this week to questions about the applications.

Gelsinger also said Intel is entitled to a greater chunk of the money than other companies given the size of its investments in the U.S. and that its research and development operations are based in the U.S.

"We have the largest construction projects on the planet to build the smallest things that have ever been built," he said.

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# Ohio AG Dave Yost rejects language for 2024 redistricting reform ballot measure

Jessie Balmert

Cincinnati Enquirer

A group trying to strip redistricting powers from Ohio politicians will have to go back to the drawing board.

Ohio Attorney General Dave Yost rejected language submitted by Citizens not Politicians, saying it was not a fair and truthful summary of the 30-page proposal.

"During our review of the summary, we identified omissions and misstatements that, as a whole, would mislead a potential signer as to the actual scope and effect of the proposed amendment," Yost wrote in a letter to backers of the citizen commission.

The proposed amendment, which could go on the November 2024 ballot, would replace Ohio's current method of drawing statehouse and congressional districts with a 15-member citizens commission.

The line-drawing process, called redistricting, is typically completed every decade with updated population data from the U.S. Census. It becomes gerrymandering when mapmakers draw districts to disproportionately and unfairly favor one party over the other.

Yost's office found several problems with the proposed amendment, including a "materially confusing and vague" description of the proposed 15-member mapmaking panel, a lacking definition of "communities of interest" and confusion surrounding which incarcerated individuals would be counted at their home addresses.

It is not unusual for the initial petition language to be rejected. A constitutional amendment seeking to eliminate qualified immunity for police and other government officials has been rejected several times. Four versions of an anti-vaccine mandate proposal were also rejected. However, a constitutional amendment about abortion access was approved on its first attempt.

Proponents plan to revise the summary and submit it again with another 1,000 signatures. They hope to make the November 2024 ballot.

"We believe our summary was accurate," Citizens Not Politicians spokesperson Chris Davey said. "But we will review the attorney general's guidance, will make necessary adjustments and will collect new signatures with our broad, statewide, nonpartisan coalition of partners to refile as soon as possible because it's time for citizens and not politicians to draw Ohio's legislative maps."

In the meantime, Ohio politicians are tasked with redrawing maps for the 2024 primaries this March.

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# Recession Fears Have Been ‘Blown Out of the Water,’ Long-Serving Fed President Says

Former St. Louis Fed chief James Bullard warns that stronger growth will require even higher rates

**Nick Timiraos**

The Wall Street Journal

James Bullard, who was the longest tenured of the 12 regional Federal Reserve Bank presidents when [he stepped down last month](#) as the head of the St. Louis Fed, thinks the U.S. economy faces new risks of stronger growth that could require higher interest rates to keep up the fight against inflation in the months ahead.

Bullard took over as the dean of Purdue University’s Daniels School of Business this month. In an interview Monday, ahead of the Kansas City Fed’s annual economic symposium in Jackson Hole, Wyo., he said central bankers ought to be pleased with the economy so far this year.

Fed officials [raised interest rates last month](#) by a quarter percentage point to a 22-year high. Bullard said he thought they would need to lift them again this fall. The Fed might have to raise rates even more if the recent economic acceleration continues in the coming months, he said. “I don’t think markets are really ready for that.”

Here’s what he had to say (with this partial transcript lightly edited for clarity):

**WSJ: How do you see the U.S. economic outlook right now?**

**Bullard:** I think it’s turning out that the Fed’s policy has been very successful, and I think that will be the buzz at Jackson Hole. I don’t know what will be in the speeches, but the talk will be that this has been quite successful. If you look at [the consumer-price index], headline CPI inflation was 9%; it’s [now just a little over 3%](#) and on a declining trend. The core inflation measures [which exclude volatile food and energy prices], which were hanging up for a while, have turned down.

This is all looking very good because this is occurring in an environment with [3.5% unemployment](#). Those that said it couldn’t be done are having troubles here.

There were a lot of heavy predictions of recession. I think those were just overblown. There was risk of recession, but it wasn’t as high as it was made out to be on Wall Street. And then I think [the \[Silicon Valley Bank\] situation](#), a lot of people felt like, “Aha, this is the moment!”

Because of the SVB situation, rates actually went down in the spring. And there's been an unwitting easing of financial conditions, which is feeding into a stronger second half for the U.S. economy. And now everyone's scrambling to reprice based on that stronger economy.

**WSJ: To what extent would the Fed need to worry about stronger growth, even in the context of continued declines in inflation from things like shelter and cars?**

**Bullard:** The faster growth is a bit of a threat because the forecast was that you'd have [very weak growth or even a recession](#), and now that doesn't really look like it is materializing. So you'd have to upgrade your outlook for inflation probably based on that alone. You still have a very tight labor market, and now you have a reacceleration in the U.S. economy. The risks are tilting a little bit more toward the idea that inflation won't fall as fast as anticipated.

**WSJ: Do you think we'll return to the prepandemic environment of low interest rates and low inflation?**

**Bullard:** I'm skeptical that we're returning to that. You've got [inflation above \[the Fed's 2%\] target](#), and it's probably going to be relatively sticky above target. Roughly speaking, the policy rate would have to be higher than the inflation rate during that whole period when inflation is above target. That sounds like [a higher interest-rate regime](#) than the one that has existed since 2008.

**WSJ: How much of the recent decline in inflation can be attributed to Fed policy versus simply good luck on energy and supply chains?**

**Bullard:** I think the Fed should get a lot of credit. Yes, there are shocks out there in the world, but the question is how do you react to those shocks? And [in the '70s](#), you had similar shocks and the Fed didn't react enough or fast enough. They stopped up short, and you got a decade of high and variable inflation. This time we reacted more appropriately and more effectively, and now we're getting the fruits of that by getting inflation down. So far, so good.

**WSJ: In June, most of your former colleagues thought the Fed would have to raise rates one more time this year. What would be the right test for pausing rate increases?**

**Bullard:** The [Fed's rate-setting] committee will have to re-evaluate its forecast in September for the summary of economic projections. And those projections in June still had a big element of a recessionary scenario—which at least, as of today, looks like it's blown out of the water.

That suggests that the committee would keep its rate increase in there for sometime this fall. It seems like you'd probably follow through on the rate increase that was penciled in in June.

The bigger question for markets, though, is whether the economy really does accelerate quite a bit in the second half of 2023 and the committee feels compelled to, let's say, go above 6% on the policy rate—possibly because some of the inflation readings turn around and blip up or maybe have a little bit of a sustained increase.

I don't think markets are really ready for that. But that's an increasing risk now.

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# 5 key things to watch for in the first Republican presidential debate

Aaron Blake

Washington Post

Eight of the top nine candidates for the 2024 Republican presidential nomination will face off in their first debate Wednesday night in Milwaukee. Absent will be the runaway front-runner, former president Donald Trump, who decided the debate wasn't worth the risk.

The debate is set for 9 p.m. Eastern on Fox News.

Below are key themes to watch for and questions to be answered.

## 1. How do the candidates handle an absent (and indicted) Trump?

Trying to actually run against Trump has already proved vexing for the field. An unstated rule is that you can't really attack him and emerge with your career intact.

A crowded field of Republican candidates are vying for the 2024 presidential nomination. We're tracking the presidential candidates' campaigns. Follow along for live coverage of the first Republican debate.

Now, in the first major forum for at least drawing contrasts, they won't have Trump there to engage with — or the viewers he most likely would have attracted.

That could cut a couple of ways. One is that Trump also won't be there to defend himself, so the candidates might feel freer to edge closer to more overt criticisms. But the other is that there will be no opportunity to trip him up and create the kind of defining moment that these debates usually provide.

Particularly worth watching is how the candidates handle his four indictments. Apart from the most unabashed Trump critics — former governors Chris Christie and Asa Hutchinson — the others have offered a gentler approach. Former vice president Mike Pence has said Trump asked him to violate the Constitution but hasn't judged his former running mate too harshly. To the extent that others have sought traction, it's been to suggest that the indictments are electoral liabilities, rather than that Trump actually did anything wrong.

But what we've also seen is that this kid-gloves strategy has utterly failed. Trump has continued to extend his lead — it's now nearly 40 points. The candidates have to ask themselves how much longer they're willing to allow his biggest general-election liability to be an apparent asset in the primary.

Many of them will want to mind their post-2024 careers, too, or perhaps even have designs on being Trump's running mate. And the recent history of the GOP shows that everyone is generally content to wait and hope for someone else to do something about Trump.

A leaked memo from Florida Gov. Ron DeSantis's super PAC last week suggests we should perhaps expect more of the same. The fourth "must-do" it lists for DeSantis? "4. Defend Donald Trump in absentia in response to a Chris Christie attack."

## **2. How much incoming does DeSantis get?**

Part of the calculus for the reluctance to go directly at Trump is undoubtedly this theory: If Trump can be beaten, it will be because he implodes. And better to be next in line if that happens than to have incinerated yourself in August.

Which means we could see plenty of jockeying to become what we've labeled the front-runner of the also-rans.

If that's the play Wednesday, you'll probably see plenty of focus on DeSantis, whose long hold on that distinction is increasingly tenuous. DeSantis was once nearly tied with Trump in the polls and 30 points ahead of the third-place candidate; now he's below 15 percent nationally and fending off political neophyte Vivek Ramaswamy.

What might that look like? More traditional conservatives have attacked him for his heavy-handed use of the government to fight "wokeness," notably by going after Disney. The other candidates could also attack him for his recent comments suggesting that some Trump supporters are "listless vessels." Or you could see them try to bait DeSantis into the kind of awkwardness that has dogged his candidacy.

Ramaswamy could also be an attractive foil, based on his third-place standing, past positions that haven't been terribly GOP-friendly and some odd recent comments about foreign policy. (Ramaswamy this week said he had been misquoted talking about 9/11 conspiracy theories, but a recording soon showed he had been accurately quoted.)

## **3. Who could be the breakthrough candidate?**

It's a muddled mess behind Trump, DeSantis and arguably Ramaswamy, with no other candidate pulling even 5 percent in the national polling average.

So who else could assert themselves?

Plenty of eyes will be on Christie, who has clearly been anticipating his chance to bring the case against Trump to the debate stage. It might not help Christie, who has badly alienated much of the party with this approach, but he has shown he is willing to try to take people out even if it

does him little good (see: Marco Rubio 2016). And Christie could even make himself a player in New Hampshire, where some polls have him running as high as second.

Ramaswamy also has a stake. He's built a significant following with a successful media-appearance strategy; now he gets tested face-to-face with his opponents and a chance to show he's not just a novelty.

The last candidate we'll be keeping a close eye on is former United Nations ambassador Nikki Haley, who can be a skilled messenger but thus far hasn't broken through — at all — in the 2024 race. The debate could be a good forum for the only female candidate onstage.

#### **4. Where does the GOP stand on election denialism?**

Beyond the who's-up-and-who's-down nature of Wednesday's affair will be what it says about the future of the Republican Party. One topic that should gain clarity is election denialism.

Despite Trump's continuing to press the false claim that the 2020 election was stolen, the GOP as a whole has tried to (gently) move on. Nearly all of Trump's opponents have said, in varying ways, that Trump did lose the 2020 election.

While we should hardly expect the candidates to disown the questioning of the 2020 results — as many as 7 in 10 Republicans still incorrectly believe that President Biden's win was illegitimate — there are plenty of other ways to set the tone in the party.

For instance, Fox News moderators would be derelict if they didn't ask the candidates to weigh in on then-Vice President Pence's decision to buck Trump's plot on Jan. 6, 2021 — a decision that as many as half of Republican voters have supported. Trump's dual indictments over his efforts to overturn the 2020 election would also seem to invite some in-depth questioning of those on the stage.

The debate could give the GOP a real opportunity to more overtly shed this losing electoral issue, without Trump there to demagogue it. That is, if anyone cares to attempt this course.

#### **5. Where do Republicans go on abortion and Ukraine?**

The Republican Party also needs to decide where it stands on two key issues on which there is no clear consensus among the 2024 presidential field: abortion and Ukraine.

Multiple candidates have either shied away from the abortion issue (see: DeSantis) or struggled to strike a balance (see: Haley and Sen. Tim Scott) for fear of going too far now that *Roe v. Wade* has been overturned. They've dithered on questions about how early to restrict abortion, whether to ban it at the federal level and whether they agree with a judge's decision to restrict abortion medication.

We've also seen some efforts to highlight this reluctance and force the issue. Trump at one point even suggested that the six-week abortion ban DeSantis signed in Florida (but has declined to promote too much) went too far. And a key antiabortion group has at times sought to steer the candidates in a more ambitious direction, targeting both Trump and Haley after they didn't toe its line.

On Ukraine, you see one of the most pronounced divides in the field. Pence and Haley have hewed to the more traditionally hawkish conservative view that standing by Ukraine against Russia's invasion is in the United States' national security interest. Trump and DeSantis, on the other hand, have taken a dimmer view of U.S. involvement, which appears more in line with the activist base but not necessarily the party as a whole.

Both issues are hugely consequential in America's political landscape right now, with the GOP's uncertain posture leaving open what will happen next. And both should feature significantly in Wednesday's debate — and the debates ahead.

# Fresh Look at Data Shaves Just a Hair Off U.S. Job Growth

Revised figures for the year that ended in March show 300,000 fewer jobs at the close of the period than previously reported.

**Ben Casselman**

New York Times

The red-hot American job market might be just a couple of degrees cooler than previously believed. AR

There were 306,000 fewer nonagricultural jobs in the United States in March than initially reported, according to revised data released by the Labor Department on Wednesday. That suggests employers added jobs at a slightly slower rate in 2022 and early 2023 than more timely — but less accurate — monthly data suggested.

The revisions, which are preliminary, don't change the big picture: Job growth has slowed since the initial wave of post-lockdown reopening, but has remained surprisingly resilient. Even after the latest revision, there were 2.8 million more jobs in March than before the pandemic began. (Employers have added another 870,000 jobs since then, according to the Labor Department, although those figures, too, will eventually be subject to revision.)

The data released Wednesday is part of an annual process in which monthly estimates, which are based on a survey of employers, are brought into alignment with more definitive data from state unemployment insurance records. The revisions will be formally incorporated into government figures early next year.

The recent strength of the job market has surprised economists, who expected the rapid increase in interest rates to lead to a more significant slowdown in hiring. Some forecasters thought that the monthly jobs figures were overstating hiring, and that the annual update would show a substantial downward revision.

That didn't happen: The Labor Department lowered its estimate of employment by just 0.2 percent, which is in line with historical revisions.

The revisions were larger for certain industries. Employment in transportation and warehousing, which boomed during the pandemic but has since slowed, was revised down by nearly 150,000 jobs, or 2.2 percent. White-collar industries like information and professional services also added fewer jobs than initially reported. Retail and wholesale companies, on the other hand, hired more workers than monthly figures suggested, as did employers in the public sector.

*Ben Casselman writes about economics, with a particular focus on stories involving data. He previously reported for FiveThirtyEight and The Wall Street Journal.*