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companies waiting for CHIPS Act to start flowing



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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 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.

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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

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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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