

‘Our competitors are not sitting still’

Hoyer touts \$52 billion in tech incentives

By **MIKE ROGOWAY**
The Oregonian

U.S. House Majority Leader Steny Hoyer toured a Washington County chipmaker Thursday and urged Congress to act quickly to pass a long-delayed, \$52 billion incentive package for domestic semiconductor manufacturers. “If we don’t act, we’re going to be left at the starting gate,” the Maryland Democrat said. “It is time to act.” Hoyer, in Oregon for political events with Democratic congressional candidates, spoke at Analog Devices’ factory near Beaverton. He said he met with House Speaker Nancy Pelosi last weekend to discuss the chips legislation, which is now in conference committee. Noting that that governments in Europe and Asia are moving quickly on their own incentive programs, Hoyer said he’s committed to getting the legislation passed before Congress adjourns for its August recess. “The global economy is not static,” he said. “Our competitors are not sitting still. They’re not going to wait for another year, or another six months.” Analog Devices is expanding its factory, where it employs 800 at the edge of the Tektronix campus, adding 25,000 square feet of clean room that the company says will enable it to double production. Federal support could enable further growth, Fred Bailey, the company’s vice president, said Thursday. “It would allow us to pull in additional expansion,” Bailey said.

The legislation, known as the CHIPS Act, would provide \$52 billion in subsidies to fund U.S. factories and domestic semiconductor research. The U.S. Senate passed its version of the bill a year ago with broad bipartisan support, but it stalled for months in the House. When that chamber ultimately took it up in February, the version the House passed included other Democratic priorities, including climate protections and some immigration reforms. Those additional provisions derailed the bipartisan consensus around the legislation and imperiled the legislation. That sparked rising frustration from Intel CEO Pat Gelsinger, who is counting on billions of dollars in federal assistance to help offset the costs of new fac-



U.S. Rep. Suzanne Bonamici greets House Majority Leader Steny Hoyer at Analog Devices Inc.’s chip factory near Beaverton on Thursday.

Mike Rogoway/The Oregonian

TAIWAN, SOUTH KOREA AND CHINA ALL SPEND BILLIONS OF DOLLARS SUBSIDIZING THE CAPITAL-INTENSIVE CHIP INDUSTRY, AND EUROPE IS PRESSING FORWARD WITH ITS OWN INCENTIVES. GELSINGER SAID INTEL COULD SHIFT FUTURE SPENDING TOWARD NEW FACTORIES IN GERMANY IF THE U.S. DOESN’T ACT.

tories in Arizona and Ohio. Last week, Intel indefinitely delayed the ceremonial groundbreaking for its

new Ohio factories as a signal of its displeasure over the legislation’s glacial progress and uncertain fate.

“The rest of the world is moving rapidly despite the inability of Congress to get this finished,” Gelsinger told a forum in Colorado this week. He urged Congress to set aside “petty partisanship” and get the legislation done. Taiwan, South Korea and China all spend billions of dollars subsidizing the capital-intensive chip industry, and Europe is pressing forward with its own incentives. Gelsinger said Intel could shift future spending toward new factories in Germany if the U.S. doesn’t act. Five members of Oregon’s congressional delegation serve on the conference committee trying to work out a compromise between the House and Senate, where supporters will need at least 10 Republican votes to overcome a potential filibuster.

Objections from liberal Democrats could complicate the math. U.S. Sen. Bernie Sanders has voiced skepticism about subsidies for the chip industry, for example, and former Clinton administration Labor Secretary Robert Reich wrote in The Guardian this week that Intel can afford to make its own investments. He said any subsidies should be tied to commitments that chipmakers would prioritize U.S. customers. The Portland area has one of the densest concentrations of semiconductor manufacturing anywhere in the nation. But aside from Intel, no company has built a new semiconductor factory in Oregon this century and none are planned, regardless of the CHIPS Act’s fate.

That’s in large part because the region lacks the huge parcels of industrial land that chipmakers seek for their massive projects. A task force of Oregon leaders is preparing an analysis of obstacles and opportunities to the industry’s growth. Some political leaders hope the state could land a share of the CHIPS Act money to launch a new semiconductor research center in Oregon. U.S. Rep. Suzanne Bonamici, an Oregon Democrat who represents the North Coast, is one of five members of Oregon’s congressional delegation who serves on the conference committee working on the legislation. She said the fact that the committee has been meeting is a sign of progress and said she’s optimistic Congress will meet Hoyer’s August deadline for passing a bill. “I’m hopeful that we will,” Bonamici said Thursday, “and I will do everything I can.”

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