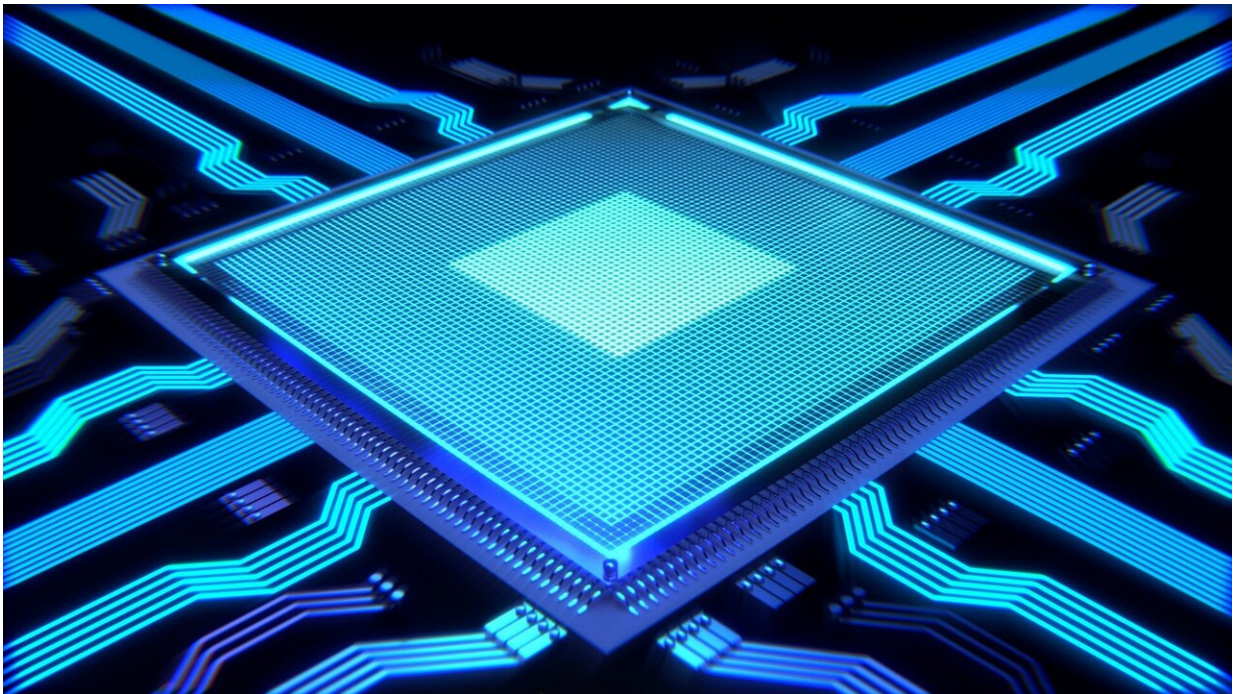


Governors, CEOs join White House meeting on chips funding: Jobs are 'at risk'

March 10 2022, by Riley Beggin



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Michigan Gov. Gretchen Whitmer attended a meeting Wednesday at the White House to advocate for legislation that would fund \$52 billion in domestic semiconductor chip production.

President Joe Biden, Commerce Secretary Gina Raimondo, Republican Gov. Eric Holcomb of Indiana and leaders of Samsung, Whirlpool,

Medtronic, Cummins and others also joined the meeting.

They discussed legislation aimed at increasing U.S. competitiveness with China that has stalled in Congress, much to the frustration of bipartisan members of Michigan's delegation and advocates for the [auto industry](#), which continues to struggle under a global [chip](#) shortage.

"Right now, thousands of jobs up and down the auto supply chain are at risk because we are not making chips, we don't have access," Whitmer said.

"These shortages are driving up costs, they're jeopardizing families. Increasing this manufacturing here at home will reduce supply chain delays in transportation as well as lowering the cost of consumer electronics."

The bills would also fund \$45 billion to shore up supply chains for critical goods and \$160 billion for scientific research and development.

Both the House and Senate have passed their own versions of the legislation, but the two chambers have yet to reconcile the differences between their bills. Republicans have argued that the House version includes too many climate-related add-ons and isn't tough enough on China, while House Democrats have said the Senate version is too prescriptive in directing research spending.

"There's perhaps no production more important in reclaiming America's leadership and owning our future than semiconductors," Biden said Wednesday. "Today, I'm urging the House and the Senate to work out the differences between these two bills and get it to my desk as quickly as you can."

Both bills also include controversial provisions that will take time for the

chambers to reconcile, including a House policy that would limit duty-free imports of cheap Chinese goods and a Senate policy that would bring back tariff exclusions on China put in place under former President Donald Trump.

But there's bipartisan support for chips funding, which includes \$2 billion set aside for mature chips used in autos.

Demand for chips grew 17% last year over 2019, according to the Commerce Department, and that's only expected to grow as electric vehicles and other consumer electronics increasingly rely on the tiny component. Earlier this year, the Commerce Department reported that companies using semiconductors had less than five days inventory on hand—a drop from 40 days in 2019.

The pandemic-induced chip shortage has cost the global auto industry \$210 billion in potential revenue in 2021 alone, according to estimates by consulting firm AlixPartners. It's also contributed to rising costs of both new and used vehicles amid nationwide inflation.

The roundtable attendees Wednesday will discuss "why passing competitiveness legislation is critical for lowering prices for working families by addressing bottlenecks like semiconductor chips, manufacturing more in America, and strengthening our supply chains to make our economy more productive," according to a White House fact sheet.

The Alliance for Automotive Innovation, an advocacy group representing most major automakers producing vehicles in the U.S., released a statement Tuesday evening saying the funding for chips would "help ensure a robust and diverse domestic supply chain for the design and manufacture of semiconductors."

"Innovation is only as good as the supply chains that make it a reality," CEO John Bozzella said in a statement. "That's why a sustained commitment to investing in and building domestic semiconductor capacity that meets the current and future needs of the auto industry in the United States is absolutely essential."

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