

Biden administration announces \$162 million to expand computer chip factories in Colorado and Oregon

January 4 2024, by Josh Boak



President Joe Biden speaks about his economic agenda at the Wisconsin Black Chamber of Commerce, Wednesday, Dec. 20, 2023, in Milwaukee. Credit: AP Photo/Evan Vucci

The Biden administration is providing \$162 million to Microchip Technology to support the domestic production of computer chips—the second funding announcement tied to a 2022 law designed to revive U.S. semiconductor manufacturing.

The incentives include \$90 million to improve a plant in Colorado Springs, Colorado, and \$72 million to expand a factory in Gresham, Oregon, the Commerce Department said. The [investments](#) would enable Microchip Technology to triple its domestic production and reduce its dependence on foreign factories.

Much of the money would fund the making of microcontrollers, which are used by the military as well as in autos, [household appliances](#) and medical devices. Government officials said they expected the investments to create 700 construction and manufacturing jobs over the next decade.

Lael Brainard, director of the White House National Economic Council, emphasized that the funding would help to tame inflation.

"Semiconductors are the key input in so many goods that are vital to our economy," said Brainard, adding that greater U.S. production of chips would have reduced the supply problems that caused the cost of autos and washing machines, among other goods, to rise as the country emerged from the coronavirus pandemic in 2021.

The inflation rate has since eased, but the scars caused by the sudden price increases have damaged President Joe Biden's public approval.

In August 2022, Biden signed the bipartisan CHIPS and Science Act, which provides more than \$52 billion to boost the development and manufacturing of semiconductors in the United States.

In December, the Commerce Department announced the first grants by saying it reached an agreement to provide \$35 million to BAE Systems, which plans to expand a New Hampshire factory making chips for military aircraft, including F-15 and F-35 jets.

Government officials expect to make additional funding commitments this year.

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Citation: Biden administration announces \$162 million to expand computer chip factories in Colorado and Oregon (2024, January 4) retrieved 9 May 2024 from <https://techxplore.com/news/2024-01-biden-administration-million-chip-factories.html>

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