

THE AMERICA COMPETES ACT: HOUSE DEMOCRATS STRENGTHEN SUPPLY CHAINS & U.S. ECONOMIC COMPETITIVENESS

February 2, 2022

Reinvigorating America's science, manufacturing, and engineering capabilities will help our nation address the challenges we face today, while better preparing our country — and our workforce — for the future. The House Budget Committee in past hearings has highlighted the need to step up our budgetary commitment to meet these goals. By targeting federal investments to strengthen America's manufacturing power and research and innovation ecosystems, we can increase regional economic opportunities, create jobs in the short and long term, address supply chain disruptions and lower costs for Americans, accelerate discovery while also increasing GDP per capita, and spur entirely new industries.

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From putting a man on the moon and the invention of the internet to groundbreaking medical advancements, federal investments in R&D have fueled our economic growth, helped us tackle problems at home and abroad, and made America a beacon of innovation and discovery. Without a renewed commitment to science and innovation, we risk squandering our recovery and the opportunity to move our nation forward as a global force for good.

Chairman John Yarmuth

Statement at House Budget Committee Hearing on the
Federal Role in Fueling Research and Development, July 8, 2020

To achieve these goals and ensure America can outcompete any nation in the world for decades to come, the House this week will consider H.R. 4521, the America Creating Opportunities for Manufacturing Pre-Eminence in Technology and Economic Strength (America COMPETES) Act of 2022. With its transformational investments in research, innovation, and American manufacturing, the America COMPETES Act will: strengthen the supply chain to make more goods in America, including an acceleration of U.S. production of critical semiconductor chips; turbocharge our research capacity to lead the technologies of the future; and advance our global competitiveness, while supporting strong labor standards and human rights, among other key provisions.

The legislation reflects bipartisan work across committees, and its major components include many bills that have bipartisan support or have already passed the House with strong bipartisan votes.

The America COMPETES Act of 2022 strengthens America's competitiveness by:

- **Creating a \$52 billion CHIPS for America Fund**, which will incentivize private-sector investments and continued American leadership in semiconductor fabrication, help address supply chain disruptions, and ensure that more semiconductors are produced here at home.
- **Strengthening the supply chain and American manufacturing** by authorizing \$45 billion to prevent shortages of critical goods and ensure that more of these goods are made here in the United States.
- **Advancing American scientific research, technology, and innovation excellence** by making major solutions-driven investments in every aspect of innovation and scientific research. For example, the bill authorizes \$500 million for innovation in quantum network infrastructure. Other investments in research will advance the next generation of energy storage, solar, hydrogen, among many other areas, leading to breakthrough discoveries.
- **Securing America's global competitiveness and leadership through economic development, diplomacy, human rights, and alliances** by investing in partnerships and alliances, investing in standing up for America's values, expanding our investments in diplomacy, and promoting human rights.

The United States has long been a beacon of excellence in science and technology in the world. It has been 15 years since the last major investment in innovation and competitiveness – the original COMPETES Act – was enacted. In that time, America has fallen behind our global competitors in science and innovation leadership. Federal R&D funding as a share of our economy has fallen from barely 2.1 percent in the mid-1960s to 0.6 percent in 2020, hindering advancements and slowing innovation. Not surprisingly, we are increasingly outranked by China and other nations on international benchmarks of competitiveness.

The need to reinvest in and reimagine our approach to science and innovation has become a national imperative. Now is the time to boldly and strategically invest in our nation's future – to promote America's economic strength, strengthen our national security, and advance our leadership in the world. America COMPETES is a comprehensive, strategic package that will power the success of America's workers, businesses, and economy at home, and position our nation to compete – and win – on the world stage.

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“If we fail to plan ahead, the underlying problems illuminated by the pandemic and recession will continue to create barriers to success for American workers. We have a responsibility to get Americans through the COVID crises, but we also must address the long-term economic challenges we know are coming.”

Chairman John Yarmuth

Statement at House Budget Committee Hearing on Impacts of Artificial Intelligence on the Workforce & Our Economic Recovery, September 10, 2020

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.