## Ptix DA

### Will Pass

#### USICA Passes now

Mervis 7-21 [Jeffrey Mervis reports on science policy in the United States and around the world in an effort to explain to scientists how government works. He keeps a close eye on the changing fortunes of science across the federal government, 07-21-2022, U.S. innovation bill clears major Senate hurdle with research provisions intact, No Publication, https://www.science.org/content/article/u-s-innovation-bill-clears-major-senate-hurdle-research-provisions-intact] Eric

A massive bill to bolster U.S. innovation took a big step toward becoming law this week after a bipartisan coalition of senators defeated an attempt to strip away most of its research components. The latest version of the U.S. Innovation and Competition Act (USICA) also includes new language requiring the National Science Foundation (NSF) and the Department of Energy (DOE) to allocate their research dollars more evenly across the country.

The 64-to-34 vote on Tuesday represents a major victory for Senate Majority Leader Chuck Schumer (D–NY) and President Joe Biden, who has repeatedly urged Congress to pass legislation that would respond to China’s growing investments in many emerging technologies. But it wouldn’t have been possible without the support of 16 Republicans, who bucked their leadership to back changes that would benefit universities in their states.

The impetus for USICA was a 2020 proposal by Schumer to authorize spending $100 billion over 5 years on a new technology directorate at NSF that would help commercialize the basic research it funds. Over time other research agencies were added to the mix, notably tens of billions in additional spending authority for DOE’s Office of Science and a smaller boost for the National Institute of Standards and Technology. Legislators also attached a $52 billion subsidy for the semiconductor industry—real money, as opposed to the authorized spending levels for the science agencies—as well as numerous trade and security provisions.

The Senate passed USICA in June 2021, with the support of 19 Republicans. In February, a bill with similar goals, called America COMPETES, passed the House of Representatives, although only a single Republican supported it. That triggered negotiations between the two bodies to reconcile their differences.

Lawmakers were close to reaching a final agreement last month when the Senate’s top Republican, Mitch McConnell (KY), ordered his team to stop talking with Democrats. McConnell saw the halt as a bargaining chip in his ongoing opposition to several of the Biden administration’s priorities, although many Republicans also objected to the spending—upward of $250 billion—authorized in the bill. McConnell later gave his consent for Schumer to move ahead with legislation dealing only with the semiconductor industry, dubbed the CHIPS Act.

Schumer didn’t want to abandon the bill’s array of research provisions, which included a 5-year doubling of NSF’s budget and a $20 billion investment in the new directorate as well as a $10 billion network of regional technology hubs funded by the Department of Commerce. But he needed at least a dozen Republicans on his side to prevent McConnell from using a filibuster to block the larger package, called CHIPS-plus, from coming to a vote. He got them thanks to the work of his Republican co-sponsor, Senator Todd Young (IN).

One big selling point for the Republicans was the bill’s provisions requiring greater geographic, racial, and institutional distribution of research dollars by NSF and DOE’s science office. The goal remains, but the language has been changed from what the Senate passed last year to address concerns by many researchers that it was too prescriptive.

The earlier version of USICA would have earmarked 20% of NSF’s entire $8.5 billion budget, and 20% of the $7.5 billion budget of the DOE science office, to the agencies’ Established Program to Stimulate Competitive Research (EPSCoR). The program, which doles out its own grants to help states build research capacity, serves 28 jurisdictions (25 states; Washington, D.C.; Puerto Rico; and the U.S. Virgin Islands) that receive minimal federal research funding.

Proponents said the additional funding would level the playing field for resource-strapped institutions. But many universities not in EPSCoR states fought that provision, saying it would unfairly prevent them from competing and distort NSF’s overall research portfolio by mandating a nearly 10-fold increase in EPSCoR’s budget, now $215 million. (DOE runs a $25-million-a-year EPSCoR program.)

The new language in CHIPS-plus retains a quota but revises how the money will be allocated. Instead of giving it to EPSCoR itself, which doles out its own grants to help states build research capacity, NSF and DOE were ordered to bump up how much money flows to institutions in those states through their regular process of making competitive awards.

“These revisions will minimize the administrative impact on implementation … and maximize the impact of the policy change where it counts, on the actual research,” says Senator Roger Wicker (R–MS), who crafted the initial provisions.

NSF would be required to raise its allocation of research dollars to institutions in EPSCoR jurisdictions from the current level of roughly 13% to 20% by 2029. A similar 20% goal, to be met by 2025, would apply for all types of NSF scholarships and training programs. DOE science programs would need to allocate at least 10% of their budget to institutions in EPSCoR states.

The bill’s language recognizes that those targets may be a stretch. Both agencies are told to do so “to the maximum degree possible,” and if NSF falls short, the director must explain why and offer a plan to close the gap.

CHIPS-plus includes other provisions to authorize spending hundreds of millions of dollars each year for new programs aimed at building the research capacity of institutions now receiving relatively little federal funding. That list includes historically Black colleges and universities and those that serve large numbers of underrepresented students, as well as predominantly white institutions that rank outside the top 100 recipients of federal research dollars.

Those provisions remain unchanged from what was in USICA and COMPETES, although the House bill explicitly avoided quotas out of concern that it would distort NSF’s much-admired system of making competitively awarded grants.

Senator Maria Cantwell (D–WA), who led the Senate contingent negotiating the terms of the compromise legislation, defends the importance of greater geographic distribution. “You don’t want there to be holes in our research enterprise,” she told Science the day after the vote. “You never know where that next big thing, or the next Bill Gates, is going to come from. So, the key is to build capacity across the country.”

Her negotiating counterpart in the House, Representative Eddie Bernice Johnson (D–TX), acknowledges that the latest version of USICA doesn’t include some things House Democrats wanted in the bill. “Compromises had to be made,” says Johnson, who is retiring this year after serving for 32 years. “Not everyone is going to get all that they originally wanted—including me. But I hope all my colleagues will come together … and get this legislation enacted into law.”

Tuesday’s vote was not actually on the new language. Rather, it was a test vote on whether the CHIPS-plus package had enough support to move forward. A bill incorporating the actual text could move to the Senate floor as early as next week. If approved, it would then go to the House for an up-or-down vote.

House Democrats think they have the votes to pass it and send it to Biden, who has repeatedly urged Congress to act quickly on what he has called the Bipartisan Innovation Act.

#### At worst, scaled down-version passes.

Tasolides 7-20 [Justin Tasolides is a writer at NYC news, 7-20-2022, Domestic semiconductor manufacturing bill clears key Senate vote, No Publication, https://www.ny1.com/nyc/all-boroughs/news/2022/07/20/senate-chips-semiconductor-bill-biden-schumer] Eric

The measure, known as the CHIPS Act of 2022, contains $39 billion in financial aid to “build, expand, or modernize domestic facilities and equipment for semiconductor fabrication, assembly, testing, advanced packaging or research and development.” Of that figure, $6 billion can be used for loan guarantees or direct loans.

The bill cleared a major procedural hurdle on Tuesday night, advancing comfortably in a 64-34 vote.

An additional $11 billion will be devoted to the Commerce Department for advanced research and development programs, $2 billion will go to the Pentagon for workforce applications and national defense programs, $500 million will be utilized by the State Department to “support international information and communications technology security and semiconductor supply chain activities,” and $200 million will be used for a domestic workforce and education fund.

The measure also includes certain “safeguards,” including language which says that federal funds cannot be used for stock buybacks, nor can they be used to “build advanced semiconductor production facilities in countries that present a national security concern,” including China.

The Senate passed its $250 billion U.S. Innovation and Competition Act, or USICA, in June 2021 by a 68-32 vote. The bill includes $52 billion to incentivize more companies to build factories in the U.S. In February, the House approved its own version, called the America Competes Act — a $350 billion plan. That legislation passed largely on party lines. Both bills aim to make the U.S. more competitive against China and strengthen domestic supply chains by investing in the chip industry.

Senate and House lawmakers have been negotiating toward compromise legislation, as their bills differ on how to improve research and development, whether to expedite visas for skilled foreign citizens, and how to protect U.S. research from foreign interference.

The Biden administration and other key lawmakers signaled that they would support a scaled-down version of the measure that just bolsters semiconductor manufacturing, with the preference to approve that more urgently and move other parts of the bill later.

“There are several parts of the broader legislation that are important, and I am committed to doing whatever it takes to get them over the finish line in this Congress,” Commerce Secretary Gina Raimondo wrote in a statement. “But chips funding is the only part of this bill that we have to pass right now to avoid facing devastating consequences.”

After Tuesday's vote, Senate Majority Leader Chuck Schumer, D-N.Y., filed a bipartisan amendment which would include tens of billions of dollars in funding for the Commerce Department, the National Science Foundation and other agencies.

Schumer, one of the bill's biggest backers, said Tuesday that he expects many of the provisions left out of the scaled-down bill will be brought up again at a later date.

"There are lots of things Republicans and Democrats want in the eventual bill that will not be in this bill, even if science is included," he said, adding that there will be a "bipartisan desire" to get a deal done.

Should the bill pass the Senate, the House is expected to take up the measure and send it to President Joe Biden's desk.

In a [letter to her Democratic colleagues Wednesday](https://www.speaker.gov/newsroom/72022), House Speaker Nancy Pelosi, D-Calif., hailed Tuesday’s vote as “important progress” on the measure, which she called “a bold, bipartisan package that will lower costs for families here at home while reigniting American competitiveness on the world stage.”

Pelosi said that passing the bill is an “economic necessity to lower costs for consumers” and “a national security imperative as we seek to reduce our dependence on foreign manufacturers.”

“The Chips Act for America is a major victory for American families and the American economy,” Pelosi wrote. “As the Senate undergoes its legislative process, we are optimistic that the House will be able to take this bill up as early as next week.”

Biden administration officials had recently sounded the alarm about the long-stalled legislation, urging that if it did not pass quickly, there would be dire ramifications for national security and the economy — including risking the loss of a number of planned multi-billion dollar domestic investments.

Intel CEO Patrick Gelsinger said last week he might delay development of a $20 billion semiconductor manufacturing facility in Ohio if Congress does not soon approve billions of dollars in subsidies for his industry.

In an interview with Washington Post Live last week, Gelsinger said he will “make a decision to delay our project in Ohio if” a chip subsidy bill “doesn’t pass.”

"There are real‑time consequences if this doesn't pass," he said.

Similarly, Commerce Secretary Raimondo told CNBC last month that Taiwan-based semiconductor company GlobalWafers might not follow through on its plans to build a factory in Sherman, Texas, if Congress doesn’t approve the incentives for chip production.

“This investment that they’re making is contingent upon Congress passing” the funding, she said. “The CEO told me that herself.”

Sanjay Mehrotra, president and CEO of Micron, a computer memory and data storage company, told Fox News on Monday the public funding is needed to level the playing field with countries whose governments have invested heavily in semiconductor manufacturing for more than 20 years.

The U.S. share of the worldwide chip manufacturing market has declined from 37% in 1990 to 12% today, according to the Semiconductor Industry Association.

“We need to get it (the legislation) across the finish line for jobs, for the resilient domestic supply chain here in the U.S. and, of course, at the same time, (for) economic security, but also national security,” Mehrotra said.

In an interview with Spectrum News last week, Cecilia Rouse, chair of the White House Council of Economic Advisers, said the bills are very important in increasing the United States’ economic capacity.

“They go to helping us make our economy more productive, which helps us address challenges such as Russia's war against Ukraine, challenges such inflation,” she said. “It helps us address those policies and face those those challenges and maintain economic health going forward as well. So we call on Congress to do the right thing.”

#### Its TOA and passing – Manchin and lobbyists are on board.

Evers-Hillstrom 7-20 [Karl Evers-Hillstromis a staff writer at the Hill, 7-20-2022, Lobbying firms report massive profits amid reconciliation, China bill fights, Hill, https://thehill.com/business-a-lobbying/3568053-lobbying-firms-report-massive-profits-amid-reconciliation-china-bill-fights/] Eric

Most of the top Washington lobbying firms continue to build on last year’s record-smashing revenues, and nearly all of them are earning more than they did in 2020, when COVID-19 introduced a flood of first-time lobbying clients seeking federal funds.

In return, K Street lobbyists have delivered results for powerful corporations and other cash-flush clients.

The newly slimmed-down reconciliation bill approved by Sen. [Joe Manchin](https://thehill.com/people/joe-manchin/)(D-W.Va.) doesn’t include corporate tax hikes, and its provisions to regulate drug prices are more industry friendly than previous iterations.

Senators are prioritizing a stripped-down version of the China competition bill that includes $52 billion in chipmaking subsidies, but few or none of the restrictions on outsourcing or tough-on-China trade provisions opposed by large corporations.

## AT: Politics DA

### 2AC – Won’t Pass

#### Republicans block it – won’t pass

Desiderio and Ferris 7-11 [Andrew Desiderio is a congressional reporter for POLITICO, covering the Senate, national security and foreign policy and Sarah Ferris covers the House for POLITICO’s Congress team, focusing on the Democratic caucus. She has covered Capitol Hill for six years, including stints focused on budget and health care policy for POLITICO Pro and The Hill newspaper, 7-11-2022, McConnell gets GOP backup in his move to snarl bipartisan U.S.-China bill, POLITICO, https://www.politico.com/news/2022/07/11/republican-us-china-bill-00045232] Eric

Senate Republicans are lining up to back Minority Leader Mitch McConnell as he threatens to tank multi-billion-dollar legislation aimed at confronting China, imperiling what initially appeared on track to join this Congress’ biggest bipartisan achievements.

McConnell’s threat, [sent via tweet](https://twitter.com/LeaderMcConnell/status/1542600738823618564) while senators were away from Washington, was aimed at derailing Democrats’ fledgling efforts to revive their party-line tax and climate bill, which all Republicans are expected to oppose. Although the Kentucky Republican supported the U.S.-China competition bill, known by some as USICA, he’s now vowing to block it if Democrats move forward with their separate legislation.

The move jostled lawmakers from both parties. But even Republicans who toiled on the now-at-risk competitiveness bill are behind him.

#### McConnell voted no at the confidence vote – others follow.

Shah 7-19 [Agam Shah is a writer at HPC wire, 7-19-2022, US Senate Passes CHIPS Act Temperature Check, but Challenges Linger, HPCwire, https://www.hpcwire.com/2022/07/19/us-senate-passes-chips-act-temperature-check-but-challenges-linger/] Eric

But the CHIPS Act doesn’t have bipartisan support. The bill is largely supported by Democrats and U.S. president Joe Biden, but faces opposition from many Republicans, who are trying to use it as leverage to pass bills not connected to semiconductors. Senate leader Mitch McConnell voted no on the Tuesday vote.