

CONFERENCE COMMITTEE MEETING
ON BIPARTISAN INNOVATION
AND COMPETITION LEGISLATION

HEARING

BEFORE THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

MAY 12, 2022

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

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CONFERENCE COMMITTEE MEETING ON BIPARTISAN INNOVATION AND COMPETITION LEGISLATION

THURSDAY, MAY 12, 2022

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Conference Committee met, pursuant to notice, at 10:01 a.m., in room SR-325, Russell Senate Office Building, Hon. Maria Cantwell, Chairwoman of the Committee, presiding.

Present: Senators Cantwell [presiding], Murray, Wyden, Menendez, Brown, Tester, Warner, Baldwin, Heinrich, Peters, Hickenlooper, Warnock, Wicker, Grassley, Crapo, Cornyn, Burr, Barrasso, Risch, Moran, Portman, Capito, Young, and House Representatives.

OPENING STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

The CHAIR. The Conference Committee on the disagreeing votes of two House and Senate amendments to H.R. 4521, the United States Innovation and Competition Act, will come to order. Before I get into the discussion of the process of this meeting and opening statement, I would like to start by offering a welcome to Representative Eddie Bernice Johnson of Texas. She is unable to join us here today because of travel and medical reasons, but she will be joining us electronically.

So welcome to you, Congresswoman Johnson. I would also like to take a moment to welcome all members present and to discuss the format of today's meeting. Each member will have 2 minutes to provide an opening statement. The order of recognition, which has been shared with member offices, should ensure different bill priorities are discussed together.

Given that there are 107 members on the Conference committee, a historic number for a bill that isn't an annual must-pass legislation, I will have to strictly enforce those 2 minutes so we can get through the Conference, hopefully by 2:15 p.m. today, when I know there are a series of House votes scheduled.

If any member is unable to speak before 2:15 p.m., please notify us and we will try to reconvene after those House votes at 4 p.m. And with that, I recognize myself for an opening statement. Today is a historic day. Historic because it is one of the largest Conference committees in the last 10 years for a bill that, as I said, is not must-pass legislation, but it is also historic in that we are

responding to a supply chain crisis brought upon by a 100 year event of the COVID pandemic, a war in Europe, and another historic reason.

I believe this is a Sputnik moment where it is clear that Americans—that we are falling behind on innovation, and we can't risk falling further behind. We know that R&D is less than 1 percent of our gross domestic product invested in Federal research, compared to 2 percent in the 60s. That 2 percent kept us competitive with innovations from DARPA, NASA, DOE, NSF, and helped us to win the cold war. But today, we are losing ground in a number of areas, semiconductors, artificial intelligence, pharmaceuticals, the energy revolution.

But we are a great Nation, and time and time again, we have proven that we can rise to this challenge. If we could come together in 12 days and pass a bipartisan Cares Act to restore our economy during the COVID crisis, I am pretty sure we can resolve the issues between us on these two bills. I look forward to working with my colleagues, Senator Wicker, who feels passionately about Federal research dollars in areas of the country defined by EPSCoR.

With Congresswoman Johnson who has fought so hard on STEM education and NASA and making sure that we get an authorization. With Chairman Pallone who has been a big advocate for strengthening supply chain. My colleague, Representative McMorris Rodgers, who I know wants to talk about mineral issues and supply chain. And with all our House and Senate members who are here today to represent their particular views and perspective on these issues.

So let's roll up our sleeves, strengthen America's supply chain, help drive down costs for Americans, and reinvigorate manufacturing here at home. That is what we need to do to help for the next years of global leadership and to build things right here in the United States of America. I will now turn to my colleague, Senator Roger Wicker.

**STATEMENT OF HON. ROGER WICKER,
U.S. SENATOR FROM MISSISSIPPI**

Senator WICKER. Thank you, Madam Chair. And I noticed that 2 minute clock didn't move at all during your remarks. I hope it is that slow during mine. The 21st century will be shaped largely by the results of the strategic competition between the United States and China. This Conference committee can help place the United States into an advantageous position by reconciling the differences during the Senate-passed U.S. Innovation and Competition Act and the House-passed America COMPETES Act.

I applaud the regular order process the Senate followed to pass USICA nearly one year ago. Senator Cantwell and I helped shepherd the Science and Technology Division of USICA, known as the Endless Frontier Act through the Commerce Committee with a 24 to 4 vote from the Committee.

In total, the Senate considered over 1,000 amendments and adopted over 100 of them into USICA, including more than 20 separately introduced bills. After improving this legislation for over 2 weeks, the Senate passed this bill by 68 to 32 vote, with 19 Repub-

lican Senators voting in support. The Conference committee should appreciate the bipartisan process followed by the Senate to craft USICA.

I hope we can avoid partisan or controversial disputes because there are significant areas of agreement between the two bills, including funding the CHIPS Act, providing a program to incentivize semiconductor R&D and manufacturing in the United States, establishing a new directorate at the NSF to drive innovation in key technology focus areas such as AI and robotics, protecting U.S. R&D and intellectual property from theft and the malign influence of foreign competitors, and ensuring a fairer national distribution of R&D funding, especially through the NSF.

On that subject, let me reiterate my support for the Senate provisions to strengthen the EPSCoR program and to establish regional technology hubs at the Department of Commerce. In 2019, six states plus the District of Columbia received nearly half of the total Federal R&D expenditures. We need bold steps outlined in the Senate bill to take advantage of the talent, expertise, and capabilities found throughout the United States. Thank you, Madam Chair.

The CHAIR. Thank you. We will now go remotely to Congresswoman Eddie Bernice Johnson.

STATEMENT OF CONGRESSWOMAN EDDIE BERNICE JOHNSON

Ms. JOHNSON. Well, thank you so very much to you, Chairman Cantwell, and to Mr. Wicker. It is an honor to join my colleagues this morning to officially convene the first meeting of the Conference committee on H.R. 4521, the Bipartisan Innovation and Competitiveness Legislation. I am here virtually today as I recover from my knee surgery, but I hope to be with you in person very soon.

It is time for us to revitalize Federal support for the kinds of research and development initiatives that have long made the U.S. a beacon of excellence in science and innovation. As Chairwoman of the Committee on Science, Space and Technology, I am especially proud of the bipartisan Science committee bill that are included in this House-passed America COMPETES Act.

These provisions were built with rigorous input from the scientific community, industry, academia, and other stakeholders on what we need most to succeed in the 21st century. With this legislation, we can usher in a bold and prosperous future for American science and innovation and maintain our international competitiveness.

We can build clean energy solutions, address the climate crisis, reinforce our National Security, enhance our semiconductor research and manufacturing capability, create jobs and so much more. We can also take historic and much needed action to build a strong and diverse STEM work force. Enact legislation that will ensure that we are able to make use of all of the brain power and talent we have in this great Nation.

Our work here is critical to ensuring the U.S. has the resources to compete globally for many years to come. I look forward to a productive Conference process, and I am confident we will come out with a strong bipartisan innovation bill to deliver to President Biden's desk. Thank you, and I yield back.

The CHAIR. Thank you, Congresswoman Johnson. Next, Congressman Frank Lucas.

STATEMENT OF CONGRESSMAN FRANK LUCAS

Mr. LUCAS. Thank you, Chair Cantwell. We are here today to begin the process of reconciling competitive legislation from the House and the Senate. It has been nearly a year since we passed the bills at the core of this legislation, and it's long past time that we begin work conferencing it.

We are facing a generational threat from the Chinese Communist Party. Their goal is to make Chinese businesses and the Chinese economy stronger than ours and to capitalize on advanced technologies to undermine our cybersecurity and our military strength. We need to take this threat seriously and pass strong policy now.

I have been very clear about my priorities in this legislation. It needs to be strategic and focused on the areas that will have the most impact. That means targeting basic research into critical technologies, building out America's STEM work force, and protecting our investments from threat—theft by China. In short, it means focusing on the thoughtful, bipartisan legislation passed by Republicans and Democrats on the House Science committee.

Unfortunately, that legislation was sandwiched into a massive list of unrelated provisions that the Speaker threw together in the COMPETES Act at the last minute. That made our task—that makes our task here even more difficult because we are starting with a controversial partisan product.

To have a successful Conference, we will need to focus only on the bipartisan policies that have been thoroughly discussed and vetted. In terms of process, from years of experience on farm bills, I know that the best way to make progress is by having the true four corners engagement between the minority and majority of the relevant House and Senate committees. Finding bipartisan consensus will take time, but it is worth the effort.

Artificial deadlines and interference by leadership only complicates the discussions and jeopardizes the whole process. We can't afford that. The Chinese Communist Party is an active and growing threat to our economy and National Security. This bill must focus on addressing that threat. It cannot be a yard sale of policies that have failed other legislative vehicles. I look forward to working with the Chairs, the Ranking Members of the Committee.

I am committed in good faith toward a bill that strengthens American science and technology and protects our threats from Chinese leadership, communist leadership in China. Yield back the balance of my time, Chair.

The CHAIR. Now we will turn to the Chairman of the Energy and Commerce Committee, Congressman Frank Pallone.

STATEMENT OF CONGRESSMAN FRANK PALLONE

Mr. PALLONE. Thank you, Madam Chair. And I am confident this Conference committee will take bicameral action to secure the future of American manufacturing and ensure we lead the 21st century global economy. As Chairman of the House Energy and Commerce committee, I would like to highlight several important provisions in the House passed America COMPETES Act that I strongly

support and believe should be included in any final agreement in order to achieve our goals.

The COMPETES Act authorizes \$46 billion to support supply chain resilience and manufacturing of critical goods right here in the United States. Earlier this week, a coalition of 134 manufacturing associations wrote to Congress in support of these provisions, writing, that is, and I am quoting, “will play an essential role in strengthening supply chains crucial for consumers and ensuring Americans quality of life and economic prosperity for decades to come.”

Now, the COMPETES Act also invests \$52 billion to incentivize private sector investments in the critically important semiconductor industry, chips. Everything from military equipment to medical devices to home appliance depends on semiconductors, and it is vital that we will be able to manufacture them here at home. The bill also invests \$3 billion to support domestic solar manufacturing so we can aggressively counter China’s control of the solar market that jeopardizes our long term energy security interests.

And the COMPETES Act also increases our domestic drug manufacturing base by expanding the use of advanced and continuous manufacturing practices and invests in replenishing domestic reserves of critical medical supplies, so we are prepared for future public health emergencies.

The COMPETES Act will help innovate our wireless supply chain and network security and ensure that next generation mobile wireless networks and technologies are safe and secure from foreign adversaries, including by investing \$1.5 billion in the public wireless supply chain innovation fund. So, Madam Chair, we have an opportunity to ensure that America can outcompete the rest of the world, and I look forward to working with each of you to make that a reality.

But I want to say Chair Cantwell that, you know, you have worked with me in the House and Senate bipartisan leaders on many issues in the past where we have had success, and so I expect that the same is going to happen again with you as the Chair. Thank you.

The CHAIR. Thank you, Chairman Pallone. Now to the House Ranking Member on E and C, Congresswoman McMorris Rodgers.

STATEMENT OF CONGRESSWOMAN McMORRIS RODGERS

Ms. RODGERS. Thank you, Madam Chair. Good morning. China is the greatest threat facing America. The CCP tries to compete with the U.S. and other economies using any means necessary. That includes cheating, stealing, coercion, and slave labor, and using their centrally controlled economy to pick winners and losers through massive Government subsidies, and handouts that benefit the ruling party’s political allies. Can you hold on 1 second? Thank you.

OK. Thank you. There we go. They do not adhere to free market principles or the highest labor and environmental standards that we have here in the United States of America. This is not the model for America. We cannot beat the CCP at their own game. The U.S. succeeds when they reward hard work, creative thinking, risk taking and innovation, and ensure that a company’s success

isn't contingent on the approval, direction, or spending by the Federal Government.

American competitiveness has suffered because of increased regulatory barriers, canceled permits for critical mining and infrastructure projects, and record taxpayer spending of money, causing inflation, supply chain issues, uncertainty for businesses. Now is not the time to burden American families with more spending or more inflation. It is important for companies that support more spending to keep this in mind and understand that they will also be hurt by the negative consequences of any anti-competitive tax and spend approach. Businesses need certainty.

Without it, they will go elsewhere. Innovation will be stalled, and America's global competitive edge will suffer. No amount of Government handouts, subsidies, and financial incentives will make up for the damage of regulatory and permitting barriers.

To win the future, we need a reliable, regulatory and permitting environment that unleashes innovation, secure supply chains, and ensures America's companies are retaining and expanding jobs here at home in the United States of America. Lifting these burdens must be central to this legislation if we want to secure American leadership and beat China. Thank you. I yield back.

The CHAIR. Thank you. Next, we will hear from Senator Tammy Baldwin from the Commerce Committee.

**STATEMENT OF HON. TAMMY BALDWIN,
U.S. SENATOR FROM WISCONSIN**

Senator BALDWIN. Thank you. And I want to begin by thanking you, Chair Cantwell, for your leadership first at the Commerce committee, shepherding this legislation through a marathon markup, I remember well, and now as chair of this Conference committee.

Passing this legislation will help us build a made in America economy by investing in innovation, creating jobs, strengthening our supply chains, lowering costs for businesses and manufacturers, and reducing prices for working families. The Senate and the House have both passed ambitious legislation.

Now we as conferees, must work together to deliver an agreement. During the last few years, we have seen how supply chain disruptions can cause problems throughout the economy. In particular, the shortage of semiconductors has caused production delays, putting a strain on manufacturers and driving up prices.

With more "Made in America" chips, our equipment manufacturers, and I would note particularly in the agriculture sector, will have better access to the inputs they need to meet increased demand, and our farmers will have the tools they need to bring their products to market. It has become clear that we can no longer rely exclusively on critical products being manufactured abroad.

Both the House and Senate bills include provisions to make our supply chain more resilient and housed here at home rather than outsourced abroad. I expect the final agreement to reflect this as a top priority. Last, the final agreement must make strong investments in research and development.

Wisconsin is a prime candidate for becoming a technology hub because we have world class research universities and a workforce

with literally centuries of manufacturing experience, all of which position the state well for growth in both traditional and emerging industries. I look forward to working with all of my fellow conferees to come to an agreement on this vital legislation.

The CHAIR. Thank you. Senator Hickenlooper from the Commerce Committee.

**STATEMENT OF HON. JOHN HICKENLOOPER,
U.S. SENATOR FROM COLORADO**

Senator HICKENLOOPER. Thank you, Chair Cantwell, and Senator Wicker, and all the conferees. Honored to serve with you on this bipartisan Innovation and Competition Conference. During the height of World War II, President Roosevelt wrote, “new frontiers of the mind are before us. We are at a similar point in our Nation’s history. We have no choice but to reaffirm our commitment to science or fall irrevocably behind our rivals.”

This work on the Conference committee is going to help stimulate and revitalize our efforts around renewable energy, artificial intelligence, quantum computing, I can go down that list. It is going to help unleash American innovation. It is going to strengthen our supply chains and ultimately reduce costs for consumers.

I think the key agencies in Colorado that are going to help drive this are the National Institute for Standards and Technology and the National Renewable Energy Laboratory up in Golden, among a number of other agencies. But these are similar agencies from all across the country. We need to also ensure that every American is prepared to contribute to our national goals in research and innovation.

Our success depends on American ingenuity. That is why I look forward to working on this bill, including the Regional Technology Hub Program, which will expand workforce education, train new and diverse entrepreneurs, accelerate technology commercialization, and really seriously help grow rural economies.

This is a rare opportunity to reinvigorate our economy and cut the red tape that has been holding back American innovation, from helping STEM PhDs get visas so they can stay right here in America after school to modernizing our banking laws so that the cannabis industry isn’t operating in all cash darkness. Our economy needs to be supported and to help us meet this moment in the past—as it has in the past and as it can again today. And we have to make changes to keep up with the world.

Fifty years from today, we will look back on this time as the great transition, when we modernized our economy and made real strides in our transition to a clean energy economy. I look forward to working with all of you in this bipartisan victory for American people.

The CHAIR. Thank you. Next, we will hear from Congresswoman Zoe Lofgren from the House Science and Space committee.

STATEMENT OF CONGRESSWOMAN ZOE LOFGREN

Ms. LOFGREN. Thank you very much, Senator. I want to thank the House and Senate leadership, as well as our respective committees, for getting us to this milestone. The investments contained in the America COMPETES Act could hardly be more urgent. The bill

will increase domestic manufacturing, invest in research and innovation, strengthen our supply chains, lower prices for all, and create good paying jobs in America.

This is good for the economy and good for working families. The House Science committee divisions of the COMPETES Act include multiple bipartisan innovation bills. The proposals offer a strategic and sustainable plan to grow American science, innovation, and technology, and include incentives to encourage domestic manufacturing of critical technologies.

However, this ambitious agenda is incomplete without adequate numbers of scientists and engineers to preserve our global leadership for generations to come. Our human capital gap is one of the most vulnerable parts of our supply chain. But provisions in the COMPETES Act would address this.

While increasing STEM scholarships for U.S. students, the bill simultaneously draws the world's best and brightest STEM doctoral recipients and company founders to the United States. And there are articles from the *Wall Street Journal* and *Forbes* celebrating this provision of the bills, and I would, at the appropriate time, ask unanimous consent to make them part of the record.

The CHAIR. Without objection.

[The information referred to follows:]

Wall Street Journal

OPINION | REVIEW & OUTLOOK

THE BE MORE LIKE CHINA ACT

The House competition bill is industrial policy mixed with welfare.

By The Editorial Board—Feb. 2, 2022 6:15 pm ET



The U.S. Capitol in Washington, D.C.
PHOTO: AL DRAGO/BLOOMBERG NEWS

If imitation is the sincerest form of flattery, Chinese President Xi Jinping should feel honored by the 2,900-page bill House Democrats claim will make the U.S. more competitive. To counter China, Democrats think America must copy Beijing's industrial policy.

Last summer the Senate passed a \$250 billion bill with \$54 billion in handouts for the U.S. semiconductor industry and much more for government science bureaucracies. Now with Build Back Better stalled, House Democrats are rushing through their own version that leaves no liberal special interest behind.

Democrats say the \$52 billion for chip makers will ease supply-chain problems. Sorry, but building a foundry takes years. Chip makers expect shortages for years no matter how much governments subsidize them. The White House laments that the U.S. manufactures only 12 percent of the world's chips, down from 37 percent in 1990. But most chips are commodities, so manufacturing has naturally shifted to lower-cost Asia. The U.S. still leads in chip design (52 percent) and chip-making equipment (50 percent). China is years behind the U.S. in both.

Some rightly worry that China could invade Taiwan and seize its foundries, which have a near monopoly on advanced chips, including for U.S. military weapons. But the Pentagon is already providing incentives to make advanced chips in the U.S., and Taiwan's TSMC is building a \$12 billion plant in Arizona.

The \$52 billion in handouts will trigger a global race to the subsidy bottom—ironic given the White House's complaints about international tax competition. The European Union's internal markets commissioner, Thierry Breton, said last week that it's planning a "commensurate" subsidy package.

Then cometh lobbying by politicians and businesses. Senate Majority Leader Chuck Schumer is pressing the House to pass the bill so chip makers can get subsidies to build in upstate New York. The Commerce Department would get \$45 billion to make and procure "critical goods," which isn't defined but no doubt will include lithium ion batteries and other green technologies. Every trade association will want its products designated "critical."

When government allocates capital, it creates economic inefficiencies and market distortions. See how Beijing directed investment toward real estate to boost GDP. Now it's trying to keep its tumbling property market from collapsing the economy, even as it subsidizes inefficient state-owned companies as well as new technology.

As much as cheap capital, businesses need regulatory certainty and skilled workers. Yet the Biden Administration is mounting a regulatory assault on business, while progressives dumb down math and science with a woke curriculum. In 2019 only 22 percent of 12th graders rate proficient in science. The House bill would exempt foreign recipients of doctoral STEM degrees from the visa cap, creates new visas for entrepreneurs and provides "temporary protected status" for Hong Kong residents. That about ends the list of useful provisions.

Congress could counter China by granting trade promotion authority to negotiate new trade deals. *Donald Trump's* biggest strategic blunder vis-a-vis China was pulling out of the Trans-Pacific Partnership, but new trade authority isn't in the bill.

It does include a huge expansion of trade adjustment assistance (TAA). Workers putatively harmed by trade receive government assistance while they are "retrained," often by unions. TAA recipients would get higher benefits plus a \$2,000 per-child allowance. And TAA would be expanded to public employees. Are government jobs outsourced? Older workers who belonged to a union would get an 80 percent tax credit for health-insurance premiums. This is Build Back Better for unions.

The bill would also create a diplomatic climate corp within the Foreign Service to promote the left's green agenda, plus give \$8 billion to the United Nation's Green Climate Fund.

There's plenty more green pork, including \$3 billion for domestic solar manufacturing and grants for promoting "well-managed but less known" seafood species.

Plaintiff attorneys also get a special perk: Platforms like *Amazon* and *eBay* could be held liable for selling counterfeit products, many of which come from China. The House bill is even longer than Build Back Better, so these are merely some of the lowlights.

House Democrats hope to pass the bill this week, and then go to conference with the Senate. That's where Republicans will have more leverage if they also aren't beguiled by Chinese industrial policy and more green subsidies.

HOUSE PASSES BILL WITH MORE MEASURES FOR IMMIGRANTS IN STEM FIELDS

forbes.com/sites/stuartanderson/2022/02/07/house-passes-bill-with-more-measures-for-immigrants-in-stem-fields

By Stuart Anderson, Senior Contributor—Feb 7, 2022, 12:11am EST

Amendments to a recently passed House bill will expand immigration opportunities for foreign-born scientists and engineers. If retained during negotiations with the Senate, the measures in the bill could become the most significant on legal immigration to pass Congress in more than 30 years.

Supporters of the provisions will argue that no bill promoting innovation can justify not including improved ways to attract and retain foreign-born talent. *More than 70 percent* of the full-time graduate students at U.S. universities in electrical engineering, industrial engineering and computer and information sciences are foreign nationals. Members of Congress have recognized that *other countries* are doing a better job than the United States attracting and retaining such talent.

House Bill: On February 4, 2022, the U.S. House of Representatives *passed the America COMPETES Act 222 to 210* with only one Republican vote. In June 2021, the *Senate passed a similar bill*. There are enough differences between the two bills to make final passage uncertain.

Significant Immigration Provisions: On January 25, 2022, the House Rules Committee added Rep. Zoe Lofgren's (D-CA) *LIKE Act* to create an immigrant startup visa and also an exemption from annual green card limits and backlogs for foreign nationals with a Ph.D. in STEM (science, technology, engineering and math) fields. Because of the potential to provide new opportunities for entrepreneurs and top researchers around the world, these two additions, in the long run, might produce more innovations in the United States than all the other sections of the nearly 3,000-page *bill*. Both measures fund additional scholarships for U.S. students in STEM fields by charging \$1,000 supplemental fees for those receiving a green card or status under the legislation.

As discussed *here*, the bill creates a temporary visa for foreign-born entrepreneurs who qualify and "Allows the founder to apply for and receive lawful permanent residence if the startup entity meets certain additional benchmarks." The lack of a startup visa *disadvantages the U.S. compared to other nations* like Canada in retaining and attracting foreign-born entrepreneurs. The absence of a startup visa and the per-country limit caused Jyoti Bansal to wait 7 years for a green card before he could start AppDynamics, which grew to employ over 2,000 people and was valued at \$3.7 billion when Cisco *acquired* it in 2017.

Exempting individuals with Ph.D.s in STEM fields from annual green card limits would relieve many from long wait times for permanent residence and (indirectly) reduce the decades-long waits for other highly skilled immigrants. The provision would allow U.S. employers to gain a significant competitive edge by offering the chance at permanent residence to outstanding researchers from around the world, including those early in their careers and engaging in cutting-edge work. (See *here*.)

Katalin Karikó, who produced the underlying research breakthrough that made messenger RNA possible for life-saving vaccines, could have benefited from a special green card provision for Ph.D.s. Karikó earned her Ph.D. in Hungary and toiled for years in America, first as a postdoctoral researcher, before her work became recognized as life-saving.

Approximately 56 percent of postdoctoral researchers work on temporary visas, with many in biological sciences, medical sciences, engineering and research and development. The new measure would allow many more an opportunity to stay in and contribute to the United States.

"The America COMPETES Act also helps build our domestic STEM workforce and encourages start-up companies to establish roots here," Rep. Lofgren said in a *statement*. "Individuals who earn STEM doctoral degrees from top research universities in the U.S. will be able to quickly obtain permanent residence and founders of start-up companies will have a chance to grow their companies here. These measures will help ensure that America is once again the number one destination for the best and brightest innovators and the next generation of entrepreneurs worldwide."

Does The House GOP Understand Its Position On Immigration Aligns With The Chinese Communist Party's Leadership?: If the Chinese Communist Party lobbied in Congress, it likely would have applauded a *statement* issued by House Minority Leader Kevin McCarthy (R-CA) that called for removing the bill's provision to bring more Ph.D.s in STEM fields to the United States.

Analysts who have studied China and its technology plans understand that the country's leadership fears a more open U.S. immigration system able to attract high-level science and engineering talent. It would welcome removing from the bill measures to attract STEM talent to America.

“Chinese leaders understand the extent to which the United States benefits from international talent inflows,” writes Remco Zwetsloot in a *report* for the Center for Strategic and International Studies. “They therefore celebrate America’s flawed immigration system and fear reforms that would improve U.S. talent attraction and retention. Commenting on

U.S. retention of Chinese STEM students, the head of the CCP’s Central Talent Work Coordination Group has complained that ‘the number of top talents lost in China ranks first in the world.’”

Zwetsloot cites a Chinese artificial intelligence white paper that found U.S. immigration restrictions “have provided China opportunities to bolster its ranks of high-end talent.” Moreover, “The deputy editor of *China Daily USA*, a government newspaper, said that expansion of the U.S. employment-based immigration system ‘would pose a huge challenge for China, which has been making great efforts to attract and retain talent.’”

The evidence indicates removing the provision to provide more green cards for Ph.D.s in STEM fields would please the leaders of China and hurt the ability of U.S. companies to compete globally.

Ross Amendment Adds Health Professions: An amendment at the Rules Committee sponsored by Rep. Deborah Ross (D–NC) added “health professions and related programs” to the STEM fields for which Ph.D.s are eligible under the bill to be exempt from the annual limit on employment-based green cards. The bill already covered physicians with a medical residency.

In a *press statement*, Rep. Ross elaborated on who would be added under “health professions and related programs” in her amendment by including a link to the Classification of Instructional Programs covered: “Expand the bill’s green card cap exemption for individuals with doctorates in STEM fields to include individuals with doctorates in these health care fields.”

Foster Amendment Adds Dual Intent For Many International Students: An amendment sponsored by Rep. Bill Foster (D–IL) provides international students on F visas in STEM fields with “dual intent.” That means a consular officer no longer will need to be convinced a student in a STEM field will not seek permanent residence in the United States. The Biden administration *recently reversed restrictive guidance* in the Foreign Affairs Manual—added during the Trump administration—that would have a similar effect to the Foster amendment. However, a law is more difficult than guidance for a new administration to change.

Manning Amendment Expands Eligibility For STEM Green Card Exemption: An amendment sponsored by Rep. Kathy Manning (D–NC) expanded the exemption from the annual numerical limit for green cards for Ph.D.s in STEM fields to include individuals with a master’s degree “in the case of an alien who works in a critical industry.”

What is a critical industry? “The term ‘critical industry’ means an industry that is critical for the national security or economic security of the United States, considering key technology focus areas and critical infrastructure,” according to the America COMPETES Act. The term “critical infrastructure” under 42 U.S.C. 5195c “means systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters.”

In sum, like most new laws, regulation will define the scope of the provision, but it is likely to include several technology specialties.

E–4 Visas For Specialty Occupation Professionals From South Korea: An amendment by Rep. Gerry Connolly (D–VA) would add South Korea as a country from which the United States can accept, on a reciprocal basis, specialty occupation professionals in a new E–4 status. The annual limit is 15,000, though the experience with *Australia* is far fewer visas likely would be used each year.

The bill also includes immigration and human rights measures for Uyghurs and residents of Hong Kong.

Challenges in the Senate: Before the House-passed immigration provisions become law, they must overcome three challenges in the Senate. First, the bill will require 60 votes to overcome a filibuster, meaning a compromise with Republicans in the Senate is necessary.

The Senate’s version of the bill passed 68–32 in June 2021, so there has been bipartisan support for the legislation. “Sen. Todd C. Young (R–Ind.), who was a lead proponent of the Senate bill, said the House measure would have to undergo large changes for a deal to be struck,” reported the *Washington Post*. “[Commerce Secretary Gina] Raimondo said that the most contentious of the numerous partisan disagreements over the House package concerned its trade-policy changes,” according to the *Wall Street Journal*.

Second, it is unclear if there are Senate Republicans who will oppose the House-passed immigration provisions, but given Rep. McCarthy's *statements*, that is a possibility. Third, it is unknown whether Senate Democrats will fight to keep the immigration measures. In the past year, most of the immigration energy among Senate Democrats has focused on legalizing individuals here without lawful status.

An optimist would say the time has come for change. The year 1990 was the last time Congress passed legislation that included legal immigration reforms as significant as startup visas for immigrant entrepreneurs and a smooth path to permanent residence for the world's top scientists and engineers. A pessimist would take the opposite position: If it's a good provision on immigration, it likely won't become law. Members of Congress have the rest of the year to prove the pessimists wrong.

Ms. LOFGREN. This is a matter of National Security. The businesses and individuals will not wait for Congress to act. They will look toward our global competitors who have already jumpstarted innovation and economic growth to make themselves more desirable destinations for international talent and investment.

Inaction is not an option. As conferees, we have a responsibility to ensure that the policies and investments reflected in the final package are aligned with our Nation's long term interests, and I am optimistic that we can work together to accomplish that. And I yield back.

The CHAIR. Thank you very much. My Northwest colleague, Congresswoman Susan Bonamici.

STATEMENT OF CONGRESSWOMAN SUSAN BONAMICI

Ms. BONAMICI. Thank you, Senator Cantwell, Chair Cantwell. It is an honor to be part of this Conference committee, and I thank Chair Johnson and Speaker Pelosi for their leadership. Through the Bipartisan Innovation Act, we can and will reinvigorate our scientific enterprise, invest in American workers, uplift clean energy research and development, and restore U.S. leadership in domestic manufacturing.

As the representative of the Silicon Forest in Northwest Oregon, I strongly support bringing the semiconductor supply chain onshore. By passing \$52 billion in funding for semiconductor manufacturing and R&D, we will move this important goal forward. Whenever possible, I encourage my colleagues to remember the inextricable link between U.S. competitiveness and climate change.

The House passed version of this bill, the COMPETES Act, includes many important climate provisions I have worked on as a member of the Committee on Science, Space and Technology. This includes the Regional Clean Energy Innovation Program, modeled in part after legislation I introduced to help cutting edge clean technologies achieve commercialization by leveraging regional capabilities and markets.

The House passed version also includes three bipartisan bills I introduced in the House, the Blue Carbon for our Planet Act, Cost Research Act, and Blue Globe Act. These bills will strengthen coastal acidification research and monitoring, expand efforts to map and conserve blue carbon ecosystems, and enhance ocean data collection.

And I thank Senators Murkowski and Whitehouse for their motion to instruct on these three bills, which will bolster the blue economy, and for their leadership as my Oceans Caucus counterparts. I also urge this Conference committee to address workforce

challenges, in part by including the House passed National Apprenticeship Act in our final bill.

This legislation will create about 1 million new registered apprenticeships, a powerful tool to improve career pathways and transform the lives of working Americans. Strengthening our Nation's workforce is paramount to competing on the global stage. We may have difficult conversations ahead, but I know we agree more than we disagree.

And I am committed to working with everyone in this room to get this important legislation across the finish line to help the people we are all honored to represent. I look forward to working with members of this Conference committee to advance competitiveness legislation that uplifts American workers, addresses climate change, and importantly, puts the U.S. at the forefront of innovation and manufacturing. Thank you.

The CHAIR. Thank you. Congresswoman—I am so sorry, Congresswoman Haley Stevens.

STATEMENT OF CONGRESSWOMAN HALEY STEVENS

Ms. STEVENS. What an honor to be with all of you here today for the first Conference meeting of the Bipartisan Innovation and Competitiveness legislation. As Chair of the subcommittee on Research and Technology within the House committee on Science, Space and Technology, I am proud of the Science committee's bipartisan provisions that will contribute to this package.

I am especially supportive of the spirit of my NIST for the Future Act, which is a bipartisan and comprehensive reauthorization for the agency to support U.S. competitiveness through research technology standards and support for U.S. manufacturing.

As a conferee, I will work to ensure investments that will spur innovation, create jobs, and build a strong and diverse STEM workforce. Since Oakland County, Michigan sent me to Congress, I have been laser focused on championing our innovation economy through electric vehicle and autonomous vehicle technology, representing the largest concentration of automotive supplier jobs in our country.

Every day I wake up to local headlines about the chips shortage hurting workers and small manufacturers who yesterday, just yesterday MEMA said are on shakier ground than they were during the Great Recession when GM and Chrysler were facing liquidation. My top priority here is to get this bill done and pass the CHIPS legislation immediately.

Michigan and its wide ranging economy is counting on us, and I stand ready to work with my colleagues on both sides of the aisle, as well as both chambers of this Congress to see this through. As we expect to celebrate America's 246th birthday on July 4th, my goal is to also be celebrating a signed bipartisan Innovation and Competitiveness package.

This bill is an investment in our people. It reflects our ability to retire, think deeper, and invent solutions not only to today's problems, but solutions for tomorrow's as well. Thank you so much and I yield back.

The CHAIR. Thank you. Support your passion. We now will hear from Congressman Jamaal Bowman. So, Jamal, thank you. Welcome.

STATEMENT OF CONGRESSMAN JAMAAL BOWMAN

Mr. BOWMAN. Thank you, Chair Johnson and Speaker Pelosi, for giving me the opportunity to participate in this Conference committee. And thank you to Chair Cantwell for convening us here today. You know, prior to coming to Congress, I had the pleasure of being an educator for over 20 years.

I worked in K–12 schools in the Bronx and parts of Manhattan that served our most vulnerable and most needy students who lived in communities that had been redlined by the U.S. Congress many decades ago. These are kids and communities that have been underinvested and under-resourced for their entire lives. So despite how brilliant they were, because they didn't have access and opportunity to the resources that other kids in other communities have, they begin to internalize that they do not matter, and they do not have access to the American dream.

As we seek to compete with other nations, we have to look in the mirror and ask ourselves, are we investing equitably in the children of our country and are we investing equitably in the communities of our nation? Because without equity, we do not have a democracy.

Without equity, we cannot compete with any other Nation that we are concerned about. If we invest equitably, a rising tide lifts all boats and gives every American the opportunity to be a part of the American dream. Our kids are creative, dynamic and innovative.

When we talk about STEM education, we have to talk about a K–12 pipeline that creates opportunities for all children. I also want to mention the expanding role of NSF in this agenda will be essential. But as Chair of the Energy subcommittee on House Science, I am eager to see the Department of Energy play a central role as well.

That is why the House bill includes legislation like the Department of Energy Science for the Future Act, the first ever comprehensive authorization of DOE's Office of Science. This legislation enables paradigm shifting research from discovering the basic building blocks of matter to the development of revolutionary clean energy technologies like next generation batteries and nuclear fusion. I yield back.

The CHAIR. Thank you. Now, Congressman Bill Foster.

STATEMENT OF CONGRESSMAN BILL FOSTER

Mr. FOSTER. Thank you. I would like to thank our Chairwoman for convening this meeting and to say how proud I am to be part of the House Science committee's delegation to the Conference. I was very involved in the Dodd-Frank Conference committee a decade ago, where I ended up being 10 for 10 in getting my own amendments into the House passed version, of which 7 survived the final Conference in the Senate.

I found that the transparency of conferencing to be a very useful mechanism to focus on the essential elements while stripping out

extraneous and counterproductive provisions. And the Dodd-Frank bill has stood the test of time.

And as Congress's token Ph.D. physicist with decades long career in our national labs, my focus will be unlocking in an expansion of our Nation's effort in basic research, while avoiding measures that risk diluting investment in peer reviewed, competitively awarded basic research, unless new funding is actually appropriated for these new missions.

And we must avoid Congressional micromanaging of scientific priorities and leave that to the experts. And also, as someone who has a teenager who started a high tech manufacturing company that now provides over 1,200 good manufacturing jobs and has kept those jobs in the Midwest, all the while competing successfully with offshore manufacturers and dealing with offshore supply chain issues for over four decades, I hope that we settle on a realistic and workable set of proposals in the tech transfer area.

And finally, as perhaps Congress's only chip designer and someone who has managed teams of chip designers, some of the most brilliant of which were born abroad, the House proposals for expanding and expediting immigration for individuals with high tech STEM skills will be near the top of my list. Lots to work on here. Let's get moving and I yield back.

The CHAIR. Thank you. I think so far the most mentioned word has been STEM, so I think we are all in agreement on that. Congressman Randy Weber, welcome. Thank you.

STATEMENT OF CONGRESSMAN RANDY WEBER

Mr. WEBER. Thank you, Chair Cantwell and Chairwoman Johnson and my colleagues for calling this Conference so that we can resolve the differences between the House's COMPETES Act and the Senate's USICA. How Science produced the DOE Science for the Future Act, legislation that represents the first Department of Energy Office of Science Reauthorization, which passed the House by an overwhelmingly bipartisan vote of 351 to 68.

Unfortunately, this good legislation was crammed alongside billions of dollars in partisan spending on controversial international climate slush funds, anti-competitive, pro-union mandates, and skewed trade provisions just to name a few. If Democrats were serious about addressing climate change, this Conference must pare back the partisan provision from the COMPETES Act and focus on the bipartisan energy legislation that was carefully negotiated between Republicans and Democrats.

And let's focus on investing in the innovative technologies that are actually going to reduce our emissions. Basic science research is the most effective way to encourage the development of new technologies. The House Science committee has already passed more than a dozen bills to responsibly invest in America's research and development capabilities over the next decade.

Prioritizing investment in American innovation to develop the next generation of clean energy, produce and export clean and affordable technology will ensure the United States remains the global leader in energy. That is how we compete and how we win.

This great legislative body and the Federal Government cannot duplicate a non-market economy by forcing mandates and regula-

tions. We must arm our dynamic private sector with the tools necessary to commercially—commercialize sustainable, affordable, and clean energy solutions. And I will yield back, Chair Cantwell.

The CHAIR. Thank you. Thank you very much. Congressman Michael Waltz.

STATEMENT OF CONGRESSMAN MICHAEL WALTZ

Mr. WALTZ. Thank you, Chairwoman. And I think we all agree that China is absolutely stealing its way to the top through theft, outright theft of our technology through cyber, through malign M&A activity, and through outright theft of our academic institutions and our research institutions. I also sit on the Armed Services committee.

What I don't think we, all of my colleagues appreciate is the extent and scale to which the Chinese Communist Party is passing this science and technology that they are stealing from us to their military. It is called their civil fusion program, their China 2025 program. It is a massive, massive undertaking. And I think historians are going to look back at this moment and say, what did you do to protect our intellectual property?

A key provision of the House bill was the National Science Foundation. That is responsible for about 40 percent of the grants that go to our research institutions and universities. They have received 1,000 percent increase in referrals from the FBI for grant fraud. Do you know how big their security office is? One woman, one person. We have to change that.

But some of the things that we included in the NSF for the Futures Act and that we included within a bipartisan manner, prohibiting malign foreign talents programs such as thousand talents, requiring annual training for research grantees, providing NSF, the National Science Foundation, and universities with new tools to combat foreign threats, prohibiting funding from going to Chinese State owned enterprises, and supporting domestic critical minerals development.

We have—we cannot responsibly pass this legislation, make these investments, and then watch it flow right out of the back door to our greatest adversary. I thank my colleagues for their work on this and I yield.

The CHAIR. Thank you. Next will be Congressman Mike Garcia.

STATEMENT OF CONGRESSMAN MIKE GARCIA

Mr. GARCIA. Thank you, Madam Chair. It is an honor to be a part of this very important process. I am going to start by saying something that may be controversial to some, but China is not our friend. These aren't good people leading the Chinese communist regime. They are conducting one of the largest genocides that our globe has seen, especially since the Holocaust. We can't do anything that appeases them and ultimately should not pass anything that enables them. If we do that, we are doing it wrong. And I do look forward to putting party politics aside through this process.

And if we get to the right legislation, we should treat this as a must pass. The Chinese Communist Party is actively attempting to supplant the United States as the driving force in science and technology. To achieve this, the CCP has actually targeted American

basic research at our universities and our businesses, and they have embarked on a systemic campaign to steal American intellectual property.

The economic injury of this process in this campaign to steal our IP is roughly \$400 billion to \$600 billion per year. And they orchestrate cyber-attacks which threaten to cripple American businesses and infrastructure in parallel. In June 2021, the House SST committee passed multiple bipartisan measures to invest in American innovation, to counter Chinese cyber-attacks, and to improve intellectual property security throughout the research enterprise.

Unfortunately, nearly a year was wasted in delaying conferring the House and Senate passed bills. And to make matters worse, when the House finally did act, the Speaker chose to put poison pills into the good work of the SST bill by including unrelated and frankly harmful provisions that actually diminish our competitive—competitiveness with China and enable China, funneling more money into slush funds like the U.N. Climate Change Fund, and adding sense of language provisions which actually don't protect us from this very existential Chinese threat.

So I look forward to this process. I think we need to do a little bit better on this front, that we need to, as a Nation, recognize China as the existential threat that it is, and not adopt an appeasement or enabling strategy. And this is very important. Thank you, Madam Chair.

The CHAIR. Thank you. And for those of you who are following our process, that concludes our comments from our House Science, Space and Technology members. There were a few who were absent, I think, due to illness, but they if they come back, we will hear from them. But we are now going to turn to the House Energy and Commerce members to hear from their sections' relevant pieces of legislation. And first, Congresswoman Anna Eshoo. Congresswoman.

STATEMENT OF CONGRESSWOMAN ANNA ESHOO

Ms. ESHOO. Thank you very much, Chairwoman Cantwell, Chairwoman Johnson, Senator Wicker, all of my colleagues that are part of this Conference. It is an honor to be an honoree. The House passed America COMPETES Act is very important legislation to bolster our economic competitiveness, protect our National Security, and ensure the United States remains a global leader in science and technology.

I want to focus on three specific areas of priority, semiconductors, the drug supply chain, and cybersecurity. My Silicon Valley Congressional district takes its name from the material used to make semiconductors. But today, very, very few semiconductors are made in the Valley or anywhere in the United States. Our reliance on foreign made semiconductors is an economic and National Security risk, and it is why this legislation's \$52 billion in funding for the CHIPS Act is so important.

The House bill includes provisions that I authored to expand the eligibility of chips programs to include manufacturers of semiconductor equipment and evaluate the role of Government purchasing. We should all be highly concerned about our Nation's overreliance on the foreign production of critical drugs and medical products.

The House bill includes my legislation, giving the FDA authority to collect additional information on drugs and active pharmaceutical ingredients that are manufactured overseas.

Finally, on cybersecurity, the House bill includes four bipartisan bills that I authored to improve cyber preparedness among small businesses, nonprofits, local Governments, and the general public. I would just say, last, that our challenges really present opportunities for us. America is waiting. Let's get on it. Let's get this done. And when we do, we will ensure our Nation's global economic competitiveness. Thank you, and I yield back the balance of my time.

The CHAIR. Thank you. Just as I closed out Science and Technology, you must have heard that. I must have been—trajectory out to the hall. Congressman Babin showed up. So if you would like to make your comment, sir.

STATEMENT OF CONGRESSMAN BRIAN BABIN

Mr. BABIN. Thank you. It is Babin.

The CHAIR. Babin. Thank you. Thank you, sir.

Mr. BABIN. Thank you very much. Good being with you all today. Hopefully make some progress on this very important bill. Unfortunately, we have a lot of work to do because instead of focusing on common sense solutions to our problems, we seem to be seeing that Speaker Pelosi has championed a bill that concedes to China and actually makes us less competitive with them and less protected from them.

The House Concedes Act lets the CCP off the hook for failing to contain COVID-19. It fails to ban funding to CCP tide organizations. It fails to punish the CCP for its blatant human rights abuses. And it fails to strengthen our competitive edge over China. Instead of putting us in a strategic position to succeed, this bill allows the CCP to continue its misinformation campaign to steal scientific technology from us and bolster its economic advantages.

As the Ranking Member of the Space and Aeronautics subcommittee, I have a front row seat to watch China continuously pour huge investments into its space program. The U.S. still has a significant advantage over the rest of the world, but when it comes to space—but if we fail to maintain continuity of purpose on our programs, or if we fall victim to partisan gamesmanship, that leadership will erode over a relatively short time period. Whoever leads in space sets the rules, and I, for one, don't want the Chinese Communist Party setting those rules.

This highlights the need for us to get a NASA authorization done. However, House priorities must be reflected in that final bill. We have successfully collaborated on this in the past, and I highly encourage my colleagues, every one of you here today, to work toward that again. And so with that, I want to end by emphasizing this opportunity that we have here today to correct these major issues in this legislation. So I want to thank you and I yield back.

The CHAIR. Thank you. We are going now to Congresswoman Lisa Blunt, Rochester.

STATEMENT OF CONGRESSWOMAN LISA BLUNT

Ms. BLUNT. Thank you, Chair Cantwell. Thank you to the Speaker and to my generous E and C colleagues and everyone here for

your contributions to the historic and vital package. Our American spirit, history, and heritage is one of being pioneers, entrepreneurs, and innovators. But over the decades and due to the pandemic, we have witnessed long developing weaknesses in our infrastructure and supply chains, resulting in shortages and increasing cost.

Through the bipartisan infrastructure law, we addressed our aging infrastructure and broadband, and now it is time to address our national competitiveness and security. From COVID masks being sold for over \$100 a piece, or nurses wearing trash bags because they don't have the gowns, or delays in getting a car, or no baby formula on the shelves in our supermarkets, these shortages and supply chain disruptions have a ripple effect in every facet of our economy, contributing to rising cost and inflation.

This competition package is about our health, our wealth, and our National Security, and I am proud to have led the bipartisan supply chain resilience subtitle in the America COMPETES Act to protect us from facing these threats again, a focus on jobs, research, manufacturing, and quality of life. And if we can make it in America, let's make it in America. These supply chain provisions have the support of over 150 organizations, from labor to industry.

And as the bipartisan Future of Work Caucus chair, with this package, we have an opportunity to propel our country into a prosperous future. Let's get it done. Thank you, Madam Chair, and I yield back.

The CHAIR. Thank you. We will now turn to the subcommittee chair of Consumer on E and C, Congresswoman Schakowsky.

STATEMENT OF CONGRESSWOMAN JAN SCHAKOWSKY

Ms. SCHAKOWSKY. Thank you so much. I am really proud to be here with my fellow conferees and to represent the Energy and Commerce committee and the subcommittee on Consumer Protection and Commerce, which I am proud to chair. The legislation that we are considering today must strengthen supply chains, protect consumers, bolster American manufacturing, and invest in our scientific and technological leadership.

We can defend consumers and legitimate businesses from unsafe and counterfeit products by passing—by including my bipartisan Informed Consumers Act, which is included right now in the America COMPETES Act. I call on my colleagues to make critical investments in American manufacturing by creating regional technology hubs across the country and a program championed by Representative Bowman.

Finally, this legislation must bolster supply chains. We know that we are continuing to see these vital shortages from everything from cars to baby food. I ask for your support for the—to include the bipartisan supply chain resilience subtitle championed by my colleague Representative Blunt Rochester.

I look forward to working with all of you on the Conference committee to enhance American leadership and the benefits for American workers as well as consumers. And I yield back.

The CHAIR. Thank you so much. Next, we will hear from Congresswoman Doris Matsui.

STATEMENT OF CONGRESSWOMAN DORIS MATSUI

Ms. MATSUI. Thank you very much, Madam Chair. And I am very—it is a pleasure to join you all here to kick off the critical work that we were doing Conference in COMPETES and USICA. For me, like you, this meeting is a culmination of many months of hard work. Almost 2 years ago, I joined a bipartisan group in the House and the Senate to introduce the Chips for America Act. This bill establish a road map for reassessing or reasserting American leadership in the strategically important semiconductor industry.

Since then, two things have happened. The Chips Act was signed into law as part of the 2021 defense bill, and the need to fund it has only grown more severe as a global semiconductor shortage has dragged on. Thankfully, both COMPETES and USICA includes the full \$52 billion we need to comprehensively implement the CHIPS Act. This funding is about more than any one specific technology or industry. It is about securing a fundamental building block of the 21st century economy.

But there is more than—there is more that we can do. As an original co-sponsor of the FABS Act, I believe we have a unique opportunity to lay the groundwork for generational leadership in the semiconductor innovation and job creation. I want to work with you to do just that. I have also been a strong advocate for modernizing our telecommunications networks through Open RAN.

This exciting technology will help diversify our supply chains and create new opportunities for American companies to enter the market and compete. In March, I led a bipartisan, bicameral letter signed by 147 Members of Congress urging the leadership of our respective chambers to begin this Conference process immediately.

Well, we have begun, and I am excited to work with all of you to continue our bipartisan process and secure America's position as a global pacesetter for innovation. And thank you, Madam Chair, and I yield back.

The CHAIR. Thank you so much. We will next turn to Congressman Paul Tanaka.

STATEMENT OF CONGRESSMAN PAUL TANAKA

Mr. TANAKA. Thank you, Chair Cantwell. The landmark innovation package that we are considering today will indeed transform our ability to compete abroad while securing good jobs here at home. A \$52 billion investment in the Chips for America Act is essential to expanding America's semiconductor manufacturing capabilities.

New York's capital region has so much to gain from strong investments in semiconductor manufacturing, which provides thousands of jobs in our region and is uniquely poised to lead the Nation in advancements in the emerging field, which is why I have led the fight to get this critical initiative funded in the House.

The funding will also allow us to stand up the National Semiconductor Technology Center, which I am working to host in New York's capital region, and the bipartisan Micro Act included in the House bill will complement chips by accelerating early stage microelectronics research at the Department of Energy to feed into these national semiconductor technology center concepts and manufacturing facilities.

These investments must be accompanied by efforts to better attract and retain qualified workers from across the globe, while supporting greater domestic STEM education and workforce development. DOE is critical to this effort, and our national labs must be well-represented in a final Conference agreement. In addition to R&D, DOE can play a role, key role in improving domestic manufacturing.

Provisions like my Flex Tech legislation included as an amendment in the House would establish a program for States to support manufacturers by funding energy studies and the implementation of recommendations from those studies. Many States already have successful programs to support industrial energy efficiency, and this provision would build on those efforts.

We also know that the solar industry is currently involved in a major tariff case, and I fear these types of cases will only continue until we invest throughout the entire domestic solar supply chain. We should enact the provision included in the House passed bill to reclaim solar manufacturing. Finally, an amendment based on my Restoring Offshore Wind Opportunities Act was included in the House bill to overturn the arbitrary leasing ban set to go into effect this summer in North and South Carolina, Georgia, and Florida.

Blocking offshore wind development not only hurts our clean energy goals, but also undermines America's offshore businesses, which are working to create high quality jobs and ensure America's leadership in this emerging global industry. With that, I look forward to this Conference reaching agreement on a package that prioritizes these issues, supports microchip manufacturing, supply chain crisis done domestically as a response, and trade policy that will reform and emphasize American workers.

The CHAIR. Thank you. Congressman Darren Soto.

STATEMENT OF CONGRESSMAN DARREN SOTO

Mr. SOTO. Thank you, Madam Chair. Members, the pandemic has revealed a chilling reality, America no longer manufactures many of the goods essential to our great Nation. From microchips to telecom, to PPE and pharmaceuticals, batteries, solar, even cranes at our ports, and electrical equipment for our utilities, Americans now rely on manufacturing halfway across the world. This has made us vulnerable.

Supply chains have raised prices because of the pandemic, and the loss of these factories have cost us jobs. To make matters worse, we rely on economic rivals like China who spy on us and don't share our democratic values for these essential goods. I have hope, though, these challenges are not insurmountable. Many prior Congresses and both parties have promised to bring jobs back from overseas.

Many Congresses have promised to kickstart a manufacturing renaissance and to harness the hard work and ingenuity of our greatest resource, the American people. They have promised, but they have never delivered. Like with the bipartisan infrastructure package, this Congress will act. In central Florida, we make microchips in aerospace, space and voting manufacturing.

The CHIPS Act will be essential to help with that, and the provisions should be expanded and eligibility to both large and small

firms, and there should be both grants and loans. Critical industries and critical goods—this 100 day supply chain report that was issued on June 8th of 2021 lays out several key areas, from pharmaceutical products and essential ingredients to critical minerals and rare earth elements to high capacity batteries.

The time for excuses and partisan gridlock is over. The Congress must act and must act now to boost manufacturing, lower costs, and to help us succeed in the 21st century economy. And I yield back.

The CHAIR. Thank you. Thank you. Congressman Larry Bucshon.

STATEMENT OF CONGRESSMAN LARRY BUCSHON

Mr. BUCSHON. Thank you, Madam Chair. The goal of this legislation shouldn't be about leveling the playing field with China or trying to beat them at their own game. It should be about making sure that the Chinese Communist Party never has the opportunity to play on the same field as the United States.

The United States is the home of innovation and ingenuity. It is a land where hard workers, critical thinkers, and risk takers are rewarded. Sadly, American competitiveness is suffering through more regulatory barriers, canceled permits for critical mining and infrastructure projects, and supply chain woes that are crippling Main Street.

These are the real problems, not the lack of Government funding. It troubles me that our own Government, the Government of free market principles and competitiveness, is resulting to picking winners and losers through Government subsidies, rather than promoting innovation and allowing for competitiveness. There isn't a corner of America that isn't feeling the hardships from the supply chain woes and the high cost of living. Inflation is an all-time high.

Gas prices are at an all-time high, and Hoosiers in my district are faced with the unthinkable decision to forgo everyday goods just to be able to pay their energy bills. If we truly want to stay competitive, let's focus on maximizing the use of the abundant resources we have here at home.

Let's focus on America. America ensures that the Chinese Communist Party is never playing on the same field as us by embracing innovation, unleashing domestic energy production, and creating a reliable regulatory and permitting environment, not through Government subsidies and wasteful spending.

Lifting these barriers must be central to this legislation if we want to build off of our storied history of global competitiveness and secure American leadership. Thank you. I yield back.

The CHAIR. Thank you. Next, Congressman Buddy Carter.

STATEMENT OF CONGRESSMAN BUDDY CARTER

Mr. CARTER. Thank you, Madam Chair. Madam Chair, I would like to reiterate what Representative Garcia said earlier in this meeting, but I will take it just a step further. China is not our friend. They are not our adversary. They are our enemy. And everyone on this Conference committee needs to keep that in mind as we go through this process. From genocide against Uyghur Muslims to COVID-19, the world is less safe under China's influence. In addition to promoting the ideals of freedom and democracy, the

United States must stop relying on this foreign adversary for manufacturing.

In the first Congressional district of Georgia that I have the honor and privilege representing, we have two major seaports, the Port of Savannah, the Port of Brunswick. Brunswick is the number two roll on, roll off port in the country. Right now we have a backlog of cars and trucks because they don't have the necessary chips to be brought to market. We should be doing our best to make sure those chips are made here.

Make no mistake, I intend to fight for increased domestic manufacturing in this Conference, along with finding ways to reduce the barriers to growth that come from unnecessary permitting and burdensome regulations. In addition to chip manufacturing, I intend to highlight issues such as ensuring that Americans have a constant stockpile of essential medicines.

As a pharmacist, that is very important to me. It is very important for us to have pharmaceutical independence, just as it is important for us to have energy independence for our National Security. Identifying long standing emergency challenges related to wildlife poaching and trafficking is also something I want to concentrate on, elements of the Inform Act and tariffs, along with holding China accountable, accountable on COVID origins.

Energy and Commerce Republicans have been investigating COVID origins for over a year now, and it seems more and more likely and probable that it originated in a lab leak at the Wuhan Institute of Virology. This bill, this bill that I am sponsoring, H.R. 5270, would prohibit gain of function research for 5 years.

This language should be included in any final bill. Gain of function research is nothing more than intellectual arrogance, and it should not be allowed anywhere. Madam Chair, in addition, we also need to hold China accountable for their role in the pandemic and ensure our medical supply chains are secure.

A lot is at stake here. I hope all of us will be mindful of that. I thank Leader McCarthy for giving Georgians a voice on this important issue. And I yield back.

The CHAIR. Thank you, Congressman Jeff Duncan.

STATEMENT OF CONGRESSMAN JEFF DUNCAN

Mr. DUNCAN. Madam Chair, thank you for convening this important Conference on this critical topic today. But let's be clear, if we want to compete with China, so much of the House legislation is just silly virtuous signaling. This nonsense has absolutely nothing to do with competing with China and everything to do with pointing to the left wing base and saying, see, we are fighting for you.

And then you want to be able to tell the American people, see, we can fight against China, too. Well, guess what? We Republicans don't have that problem. We have been fighting consistently against China for years under President Trump while Hunter was cutting deals with the Chinese Communist Party and making sure that the big guy got his cut. If you actually want to fight China, these bills aren't going to get that done as currently written.

If you want to get serious about American competitiveness, you have got to get serious about one of the most important legacies of the Trump Administration that the Biden Administration has been

fighting against from day one, and that is reestablishing American energy dominance.

What works for America and against China and Russia is pushing policies that get Americans working on energy again, revitalizing and modernizing nuclear power, an area that China is kicking our rear ends in, getting the next generation nuclear power, exploration and production, exports of oil and natural gas, whether on Federal or private land, offshore, onshore, and the OCS.

And using hydraulic fracturing to maximize production. I would note that Senator Barrasso had a successful motion to instruct on opening OCS for Federal leases again. That is a good starting point out of this bill. You want more chip manufacturers to come to the U.S.? They need a reliable, affordable, 24/7, 365 baseload power supply and a nonunion workforce that is affordably trained just like any other manufacturer, and currently as constructed, this legislation fails on both of these points.

I am here today because I want this to be a serious negotiation that actually focuses on the problems at hand for our manufacturers, including semiconductors. If you are serious about that, let's work together to make America more competitive in the real world, not in the Ivy League, intellectual centers of the left. Ditch the Marxist, socialist policy dreams and the wacky green new deal environmental policies and let's get serious.

Republicans stand ready with actual policy solutions that will make this a better bill and move us toward the goal of beating China. For that to happen, the Democrats on this committee are going to have to abandon their overregulating tax and spend big Government agenda. With that, I yield back.

The CHAIR. Thank you. Congressman Dan Crenshaw.

STATEMENT OF CONGRESSMAN DAN CRENSHAW

Mr. CRENSHAW. Thank you to the Chair and Ranking Member for the time today and appreciate the opportunity to serve on this very important Conference committee. And the conferees have been charged with a multitude of tasks to improve America's position vis a vis China. This is a good and noble objective, and I want to make sure we accomplish it, especially with respect to one of our most important goals, a vastly expanded domestic supply chain for semiconductor chips.

Now, it should be said that if we get this wrong, we will only exacerbate already high inflation. If we spend the proposed \$52 billion on semiconductors but also fail to increase their domestic supply, we will still fail to compete with China all while putting inflationary pressures on our economy. I think we need to avoid that, and we avoid it by looking at the chip shortage holistically and specifically taking into account the materials necessary to make chips in the first place.

Making chips requires materials that are hard to produce and expensive to come by. According to the White House in their review of supply chains, it takes hundreds of fluoro chemicals and dozens of different gases, and in this review, they go on to say what I haven't heard mentioned here today, which is that looming EPA regulations are the biggest barrier to making semiconductors here at home.

Without addressing these regulations, which threaten to derail any attempt to increase domestic production of chips, all this provision will accomplish is driving up inflation without actually reducing shortages. So I sincerely hope that we will address this extremely important issue and thus ensure the success of this bill. And I look forward to working with my colleagues and I yield back.

The CHAIR. Thank you. That concludes our Energy and Commerce colleagues. I want to thank all our House colleagues for coming, both from Science and Technology and Energy and Commerce committee. We are going to take a short recess while the room is reset for the Senate Finance and House finance colleagues.

[Recess.]

The CHAIR. The Conference committee will reconvene. This next session, we are going to hear from members from both the Senate Foreign Relations committee and the House Foreign Relations committee on sections of the bill dealing with their priorities. I would like to now call on the distinguished Chairman of the Senate Foreign Relations committee, my dear friend, Senator Bob Menendez.

**STATEMENT OF HON. BOB MENENDEZ,
U.S. SENATOR FROM NEW JERSEY**

Mr. MENENDEZ. Thank you, Madam Chair. Today's Conference addresses one of the most significant pieces of legislation I believe the Congress will deal with, an unprecedented bipartisan effort to mobilize all United States strategic, economic, and diplomatic tools to enable the U.S. Government to compete effectively with the People's Republic of China and the challenges it poses to our National Security and to our economy in the coming decades.

I think we all share a common view that we are entering a new and more competitive era with China, and that the United States must develop and deploy policy and strategy that is equal to the enormity and urgency of the challenge.

China today, led by the Communist Party and propelled by Xi Jinping's hyper nationalism, is unlike any challenge that we have faced as a Nation before. So this is a moment that demands a strong strategic response that can begin to rebuild American leadership and invest in our ability to outcompete the PRC in the generation ahead. That is what this legislation does.

Last year, I authored the Strategic Competition Act with Senator Risch, which we move through the Senate Foreign Relations committee by an overwhelming bipartisan margin, and which was then incorporated into the Senate U.S. Innovation and Competition Act, which advances concrete cooperation with alliances and partnerships, restores American leadership of international and regional organizations, addresses China's predatory economic practices and malign influence campaigns, emphasizes that—our economic strength and innovation in technology and digital connectivity, and grounds U.S. policy in our Nation's values and highest aspirations.

In addition to these provisions from the Strategic Competition Act, I also look forward to working with our House colleagues to establish an Inspector General at the Office of the U.S. Trade Representative. USTR carries out decisions affecting every worker, business, and consumer in this country, but is currently operating

without one of the most effective guardrails we have against overreach.

This powerful fix would bring a more transparent, accountable, and effective trade policy, and it received the unanimous bipartisan support of the Senate to vote last week. Inclusion of these provisions, I believe, are essential to ensure that our efforts here create and provide a durable and enduring framework for U.S. strategic competition with China in the years ahead.

And I look forward to working with my colleagues in the House and the Senate on both sides of the aisle to arrive at a successful Conference. Thank you, Madam Chair.

The CHAIR. Thank you, Mr. Chairman. And I know that our colleague, Senator Risch, is on his way and we will call on him. Oh, well, here, speak of—here he is, our colleague from the Northwest. Senator Risch, we have a seat right next to Senator Menendez. I don't know if you want a minute or two or if you are ready to give your comments now, but we welcome you to the Conference committee.

**STATEMENT OF HON. JAMES RISCH,
U.S. SENATOR FROM IDAHO**

Mr. RISCH. Well, thank you very much. And I am ready—

The CHAIR. Proceed.

Mr. RISCH. And I am used to sitting next to Senator Menendez, so thank you for sitting me here. It is very nice. Well, good morning, colleagues. I have been involved with this bill since its inception as an author of the Strategic Act way back in 2020. It has come a long, circuitous route since then.

And then I was involved in the Strategic Competition Act in 2021. My message has remained the same from the beginning. To effectively compete against China, we need a bill that is concrete, is actionable, and is truly bipartisan. If we are going to achieve that, this bill must do several things.

First, to counter the insidious influence of the Chinese Communist Party and their influence in our open society, including at our universities, which I worked closely with, with Senator Menendez as we developed language in that regard, it needs to strengthen our security posture and alliances in the Indo-Pacific, and it needs to push back on China's anticompetitive economic behavior.

I will work in good faith toward a strong, concrete, bipartisan, actionable bill. However, I have a lot of concerns about the bill passed by the House. There was no Republican input. The bill doesn't really seem to be about China. I will not accept any bill that weakens us just for the sake of saying that we did something.

China is the greatest challenge we face today. It is not a Republican or Democrat issue, it is an American issue. And I look forward to working with all of you, many of you, as we take this task on. Thank you.

The CHAIR. Thank you. Thank you, Senator Risch. We will now turn to our House colleagues. Again, welcome. Thank you for making it over here to participate in the Conference. And now the distinguished Chairman of the House committee, Congressman Gregory Meeks.

STATEMENT OF CONGRESSMAN GREGORY MEEKS

Mr. MEEKS. Thank you, Senator, and Representative Eddie Bernice Johnson. And I want to thank you for the opportunity to speak today. You know, last year, President Biden declared that we are in a competition with China and other countries to win the 21st century. We are in a competition to safeguard the international system that America helped build, and we are in a competition to save democracy and human rights from the agents of violence and authoritarianism.

The fact is that we have increasingly seen the People's Republic of China commit genocide, manipulate international organizations, break international law, steal our technology, and use its economic and military sway to bully and coerce. Xi Jinping thinks he can get away with all of this because he is betting that America is in terminal decline and that our democracy cannot get its act together. Over the coming weeks, this Conference committee will be further proof that he is wrong.

In front of us are two bills that lay out a comprehensive blueprint to position the United States to win this competition. And I am confident that we can get a strong package if all of us are willing to negotiate in good faith. You know, I often hear my colleagues declare that China is an urgent challenge. Well, it is time for us to put our money where our mouths are. America COMPETES has dozens of provisions that are not in the Senate bill that will strengthen our ability to compete with China.

This includes provisions to provide refugee protection for the Uyghurs and Hong Konger, to support Taiwan, strengthen our supply chains, and demonstrate U.S. leadership on global challenges like climate change. The last thing the PCR wants is for us to send a bill to the President's desk.

Let's come together as Americans to show Beijing and the world that America's best days are ahead of us. I yield back.

The CHAIR. Thank you, Chairman. Next, we will hear from the Ranking Member of the House Foreign Relations Committee, Congressman McCaul.

STATEMENT OF CONGRESSMAN MICHAEL McCAUL

Mr. McCAUL. Thank you, Madam Chair. Let me just say that the Chinese Communist Party poses the greatest generational threat to the United States and our allies, and the alliance with Mr. Putin demonstrates this. And this is not a partisan issue, it is an American issue. And this, Madam Chair, has to pass with both sides of the aisle supportive.

This could be the most important legislation passed in this Congress and is desperately needed. I don't always say this, but I think the Senate did a pretty good job. They came up with a bipartisan bill. I am disappointed to say that did not happen in the House. We—what we produced out of the House is a very partisan bill. That is the challenge of this Conference committee, to make this a truly bipartisan bill. And I just want to touch on a few key areas in the 1-minute I have left.

I introduced the Chips for America Act with George—Matsui, Senator Cornyn, with Senator Warner, broad based support on both sides of the aisle, bicameral. This will bring manufacturing of

our advanced semiconductor chips out of the vulnerable area of Asia into the United States and also protect our most—our National Security and our most advanced weapons systems that we rely on these chips for.

I think that is really a crowning centerpiece of this legislation. I hope, Madam Chair, at a minimum, we can get that done for the Nation. I know the White House is supportive. I know of both sides of the aisle in the Senate and House are as well. I would like to see export controls being used here. Too often we have given them our technology. They have stolen it from us, and now we see that we are selling it to them.

And when we saw the hypersonic launched out of China, around the world hitting with precision, that was built on the backbone of American technology. Madam Chair, I believe that needs to stop, and I look forward to working with you and the Senate on this truly what I hope will be a bipartisan exercise.

The CHAIR. Thank you. Thank you and Congresswoman Matsui for that legislation. We will next turn to Congressman Ted Deutch.

STATEMENT OF CONGRESSMAN TED DEUTCH

Mr. DEUTCH. Thanks, Chair Cantwell, distinguished members of the Conference committee. Honored to be a conferee for the America COMPETES Act, a vital piece of legislation that will strengthen our supply chains, make transformational investments in research, innovation and domestic manufacturing, that will advance American competitiveness in the 21st century.

Competing with China requires a strong defense of our values, and I am proud that the America COMPETES Act includes in our legislation the Uyghur Human Rights Protection Act, which expedites refugee processing for persecuted Uyghurs by designating them Priority 2 refugees of special humanitarian concern. It also recognizes that China is committing crimes against humanity in its persecution of the Uyghurs and other Muslim ethnic minorities in China.

And the America COMPETES Act includes several additional provisions related to the treatment of Uyghurs in China, including further sanctions and export controls imposed for human rights abuses and surveillance in Xinjiang. I am eager to work with my colleagues in the Committee to ensure these important provisions are included in the final package.

Additionally, defending the United States against China means defending our people. The America COMPETES Act is an essential tool in the fight against the scourge of opioid trafficking. It will help us confront the underlying drivers of the overdose epidemic, the trafficking of fentanyl to the United States, and its precursor chemical—its chemical precursors to Mexico from China, by requiring the Secretary of State, Secretary of Treasury, Attorney General all to submit reports to Congress describing our Nation's efforts to gain commitments from the Chinese government to combat fentanyl production and trafficking.

As many here know, I lost my nephew Eli to a tragic accidental overdose when he unknowingly took a legal supplement that was laced with fentanyl. This tragic story has been repeated too many times nationwide. More than 107,000 Americans died of drug

overdoses last year. These are our neighbors, our relatives, our kids. More must be done to end this tragic epidemic. And ensuring these provisions to confront China on the export of these precursor chemicals is an important step in this fight.

I appreciate the time, and I look forward to participate in this Conference committee and working swiftly to deliver this legislation to the President's desk.

[The prepared statement of Representative Deutch follows:]

PREPARED STATEMENT OF REP. TED DEUTCH

Chair Cantwell, distinguished members of the conference committee, I am honored to be a conferee for the America COMPETES Act, a vital piece of legislation that will strengthen our supply chains and make transformational investments in research, innovation, and domestic manufacturing that will advance American competitiveness in the 21st century.

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Thank you for your time. I look forward to participating in the conference committee and working to swiftly deliver this important piece of legislation to the President's desk.

The CHAIR. Thank you, Congressman Deutch. And we are sorry for your family's loss, so very much sympathies to you. Next, we will hear from Congresswoman Karen Bass.

STATEMENT OF CONGRESSWOMAN KAREN BASS

Ms. BASS. Thank you, Madam Chair. As Chair of the House Foreign Affairs committee on Africa, I did want to mention the Young African Leaders Initiative in this bill to counter not just China, but Russia, particularly in Africa, in continued support for global health. I want to highlight provisions of Division D from the Foreign Affairs committee bill, a few provisions and their daily impact on the lives of those residing in California's 37th Congressional District that I have the honor of representing.

By modernizing the global supply chain and its diversification, we will strengthen our ports and the logistic economy located nearby. The Port of Los Angeles and Port of Long Beach combine to

make our ports complex the largest in the Western Hemisphere, handling roughly 40 percent of all inbound containers for the entire United States. By investing now and improving these supply networks, not only will we support U.S. based manufacturers, but nationwide supply chain.

By including provisions to help curtail the flow of illicit fentanyl into the United States from both Latin America and China, we can investigate crime organizations and save lives here at home. According to a Pew study released in January 2022, more Americans died from overdose in 2020 than any previous year on record.

By focusing not only on China, but with improving American leadership in Asia, and with our allies partners in the region, we continue to benefit from the economic impacts of trade and tourism. The Port of Los Angeles moved record cargo volumes last year amid an import surge at the U.S. worldwide container supply chain snarls.

However, as we move forward in this effort to compete with China and the threats from China, we must make sure that we don't contribute to anti-Asian discrimination, racism, and attacks that too many Asian Americans feel, and they are worried about being a victim of racial attacks.

My colleagues, we have a historic opportunity to enact into law a far reaching bill that will impact our country and its ability to not just compete but lead in the 21st century economy.

The CHAIR. Thank you. Thank you very much for your statement. I know we were just joined by Congresswoman Houlihan. Are you ready to give your statement?

STATEMENT OF CONGRESSWOMAN CHRISSY HOULAHAN

Ms. HOULAHAN. Thank you.

The CHAIR. Proceed.

Ms. HOULAHAN. Thank you. And as a member of both the Armed Services committee and the House Foreign Affairs committee, I have been very fortunate to be able to play an active role in the United States approach to China over the last 3 years. The appointments have provided me ample opportunity to use my personal, professional experience working in manufacturing and overcoming supply chain challenges on a weekly, if not daily basis.

In fact, last year I served on the House Armed Services committee's Defense Critical Supply Chain Task Force, and we were successful in leading an effort to include recommendations from our report in last year's NDAA. For these and so many other reasons, I am truly honored to be part of this Conference and a conferee on the USICA, America COMPETES Act, and our Conference process.

Like all of you, my constituents are feeling the burden of supply chain issues and inflation that stems from an overreliance on imports from China. It is well past time that we as Members of Congress enact meaningful reform to return good manufacturing jobs to America and to make sure that we aren't dependent on nefarious actors for critical supplies.

I am also honored to be here on behalf of the House Foreign Affairs committee, and I was proud to vote to pass the Ensuring American Global Leadership and Engagement or EAGLE Act out of our committee last year. This legislation does a number of

things, including helping U.S. companies address supply chain issues related to China, providing financing to developing countries to counter their dependence on China, increasing the U.S. presence in the Indo-Pacific, and establishing an interagency working group to counter Chinese cyber aggression in Africa.

Last, it authorizes activities to promote democracy in Hong Kong. This legislation is particularly important, as we know all China—that China is closely watching the conflict in Ukraine and applying it to their aims in Taiwan. I also want to quickly mention an amendment that I was thrilled to have included in the COMPETES Act, which is the Strengthening Supply Chains for Servicemembers Security Act.

We saw during the early days of COVID the dangers that come from having critical supply chains based in unreliable countries. In closing, I want to thank Chairman Meeks for his support in appointing me to this committee, and I look forward to working with you all to produce a bill that reestablishes our country as a global manufacturing leader and a strong defender of democracy in the face of autocratic intentions. Thank you, and I yield back.

The CHAIR. Thank you. Congresswoman Sarah Jacobs.

STATEMENT OF CONGRESSWOMAN SARAH JACOBS

Ms. JACOBS. Well, thank you, Chair Cantwell and members of the Conference committee. Thank you to Speaker Pelosi, and also thank you to Chairman Meeks for your leadership on the foreign affairs piece of this legislation.

I am excited to be with you all this afternoon because the America COMPETES Act is so important for our country, our domestic priorities, and our global leadership. As we have seen so clearly from the war in Ukraine, so much of our power and our National Security stems from being able to muster international coalitions. And to be able to do that, we need to double down on leading with our values.

That is why it is so important to get the COMPETES Act across the finish line into the President's desk. Our competitive edge in the global competition with China is the commitment to our values, and we need to restore our credibility and reputation as a country that upholds those values in everything we do abroad and keeps our promises in the international community.

That is the best way to ensure that the real source of our power, our alliances, our partnerships, our ability to get other countries to join with us remains intact as we engage in this competition. And a big part of this is upholding our promise at the U.N. and fully funding our peacekeeping operations so that we are not letting other low income countries bear that burden, which creates a crack in our alliances that we know the Chinese government is already working to exploit.

That is why I was so glad to see my bill to lift the cap on peacekeeping dues and ensure we are paying our fair share included. We also have to ensure that the source of our strength, our values are infused in everything we do and not let short term security considerations override our longer term strategic objectives.

I am grateful that my amendment to ensure that human rights spending in our security assistance to partners abroad was also in-

cluded. The America COMPETES Act recognizes that our strength abroad ultimately comes from our strength at home. I look forward to working with this Conference and my colleagues on both sides of the aisle to create a final package that reflects the best of America on the world stage. Thank you, and I yield back.

The CHAIR. Thank you very much. Next, we will turn to Congressman Chabot.

STATEMENT OF CONGRESSMAN STEVE CHABOT

Mr. SHABOT. Thank you, Madam Chairwoman. As Ranking Member of the Asian Pacific subcommittee, it is my belief that this century will be defined by how we counter the Chinese Communist Party and its clear ambitions for not just regional but global hegemony. On every front, the Chinese Communist Party is aggressively challenging the free world and our belief that open societies, free markets, and the rule of law are the way to a prosperous and equitable civilization.

The CCP's ambitions have thrust us into what amounts to a new cold war, and a new arms race that we did not start and do not want, but which we must win. If we rise to the challenge, freedom and democracy will continue to flourish. If we fail, the CCP will replace the post-World War II order with a new global order that revolves around Beijing.

As for the legislation being considered, while there are worthwhile provisions such as the CHIPS funding, which I strongly support, neither chambers' legislation really does the hard things that we need to do if we honestly believe our own rhetoric. For instance, neither bill has meaningful export control provisions.

The outbound investment provisions are a mess in the House bill and are completely lacking from the Senate's bill. And neither bill really tackles research security. Let's face it, we aren't going to win the competition against the CCP by having the State Department write more reports, or by dumping taxpayer money into a U.N. climate slush fund that actually gives money to China.

By wide margins, the American people view China as a major threat. We should have the will to act on their convictions and the clear facts. After decades of inaction, this Conference presents the opportunity to reevaluate and dramatically improve our basic approach toward engagement with China. The question is, will we take it? I yield back.

The CHAIR. Thank you, sir, for that. Congresswoman Ann Wagner, welcome.

STATEMENT OF CONGRESSWOMAN ANN WAGNER

Ms. WAGNER. Thank you, Madam Chair. I am honored to serve as a conferee alongside so many of my colleagues. The United States competition with China is a generational challenge, and I believe this may be one of the most consequential legislative initiatives that we will work on in our time in Congress.

Unfortunately, I have to say, the House version of this legislation absolutely does not reflect the gravity of this challenge. Republicans were not engaged in the drafting process, and the resulting bill consists overwhelmingly of non-substantive findings and reports, except for an outrageous \$8 billion authorization for a Green

Climate Fund. It contains no export controls, as many of my colleagues have brought up, nor does it include guardrails to ensure that funding is not used to subsidize the Chinese Communist Party.

The final legislation must codify tough export controls to prevent the CCP from using American products to gain an edge. And it must impose robust and meaningful accountability measures for China's egregious human rights violations. We should also include a provision that I was proud to sponsor to reduce the number of Chinese military researchers who slip through the cracks in our visa system, protecting critical research from being used to fuel China's military modernization.

Researchers affiliated with the Chinese military, the People's Liberation Army, the PLA, use U.S. universities and research institutes to spy on cutting edge research, train personnel, and improve military capabilities. This is a colossal security risk. University staff who largely rely on the U.S. Government to identify or deny the visas of students sponsored by or affiliated with the PLA, need the United States to step up its efforts to catch PLA spies before they enter American soil.

This provision would require the United States to publish a list of research, engineering, and scientific institutions affiliated or funded by the PLA and ensure that the list is available to American education and research institutions. I look forward to working with my fellow conferees to strengthen this important bill, and I again thank the Chair very much, and the Ranking Member for his confidence, and our Chairman of the House Foreign Affairs committee. And I yield back.

The CHAIR. Thank you. Congressman Mark Green, welcome.

STATEMENT OF CONGRESSMAN MARK GREEN

Mr. GREEN. Thank you, Madam Chair. I appreciate the opportunity to be here today, and of course, thank Leader McCarthy and Ranking Member McCaul for the opportunity. It is disappointing that the Foreign Affairs committee majority, which is traditionally a very bipartisan committee, did not work to secure an agreement with Republicans on the foreign affairs portion of this bill.

As a result, we have a weaker product and a long road ahead of us. The COMPETES Act contains a ton of reports, census of Congress, and a green slush fund, but it isn't tough on China. Critical National Security provisions are missing. For example, the bill contains zero export controls, as had been said, and no guardrails to ensure that taxpayer money does not benefit the Chinese Communist Party.

It doesn't confront the CCP's rampant environmental destruction and debt trap diplomacy through their Belt and Road Initiative. And it fails to hold the CCP accountable for covering up the first cases and spread of COVID-19. That has to change. Additionally, as Ranking Member of the Western Hemisphere subcommittee, I would be remiss if I did not mention the need to counter China's malign activities in Latin America and the Caribbean.

That is why I introduced, with Chairman Sires and the support of members of the State Department, the bipartisan Western Hemisphere Nurturing Act, which would reduce our supply chains de-

pendence on Chinese manufacturing while fostering economic prosperity among our Southern neighbors. I encourage all of my House colleagues to co-sponsor this critical piece of legislation.

As conferees, we have the real opportunity to enact legislation to confront the Chinese Communist Party head on. But we all know that if this legislation is to pass both chambers and be signed into law, it must be bipartisan. I hope the majority will work with Republicans on this initiative. Thank you, and I yield.

The CHAIR. Thank you. Next, Congresswoman Yong Kim.

STATEMENT OF CONGRESSWOMAN YONG KIM

Ms. KIM. Thank you, Chairwoman. And I would like to give a big shout out and thanks to our Ranking Member McCaul for appointing me to this Conference committee. And I want to—I really want to thank you for the opportunity for me to address you today on the Conference process for the China competition bills. With inflationary risks rising daily, we can't afford to spend billions on controversial partisan priorities. We must be targeted and focused on our approach.

Instead of focusing on the targeted, bipartisan investments in basic research that would help America excel in competition against China, the COMPETES Act is filled with priorities that did not enjoy bipartisan support. Whoever leads in the next generation of science and technology will set the rules of the road across scientific fields for decades to come. As much as 85 percent of America's long term economic growth is due to advances in science and technology, and we cannot take that continued growth for granted.

Competing with China in the next generation requires targeted investments in basic research and emerging technologies, investments in our STEM work force, fully funding the CHIPS Act, and to increase our semiconductor manufacturing capacity, smart foreign policy approaches that hold the CCP accountable for its human rights violations and genocide of Uyghurs, and closer ties with our allies in the Indo-Pacific region.

The CCP has made it clear, its goal is to become the world's top economic and military superpower by 2025, and has shown it will undermine human rights, freedom, and decency in pursuit of this quest for the world dominance. Xi Jinping is watching us and hopes that we are unsuccessful in producing a bipartisan, bicameral bill that improves our ability to compete with them globally.

We must send a strong message that the United States will continue to lead on the world stage and will counter this aggression. So I look forward to working with my colleagues from both sides of the aisle to ensure we increase our competitiveness and be less reliant on adversaries like China for our supplies of critical technologies. Thank you, and I yield back.

The CHAIR. Thank you so much. That concludes the segment on hearing from the Senate Foreign Relations committee and House Foreign Relations committee. We will take a few minute recess while we reset for the Senate Finance committee and the House Ways and Means committee, which I see many of our colleagues are here. So just give us a few minutes to reset the room and we will welcome you up.

[Recess.]

The CHAIR. The bipartisan committee on Innovation and Competition will reconvene. We are now being joined by our distinguished colleagues from the Senate Finance committee and from our House colleagues from Ways and Means. We want to welcome you and thank you for being here to make remarks about this section of the legislation before us. I will now turn to the distinguished chair of the Finance committee for his remarks, Senator Ron Wyden.

**STATEMENT OF HON. RON WYDEN,
U.S. SENATOR FROM OREGON**

Senator WYDEN. Thank you, Senator Cantwell. And so all of you get a Northwest perspective on this. I think the Pacific Northwest and the country is very well-served by having Chair Cantwell using her considerable abilities on these hugely consequential issues, and we look forward to your leadership, Senator Cantwell. I am just going to make a couple of quick points over my couple of minutes.

First, I strongly believe that our workers can outcompete anybody, anywhere as long as we have a level playing field. And so that is job number one. At the same time, our factories and workers are being sidelined by a lack of semiconductors, and it is absolutely critical that this Conference make certain that those chips are manufactured in the United States of America.

Absolutely essential. I think it is also worth noting that these shattered supply chains for semiconductors and other crucial materials have directly hit Americans in their pocketbook for many months and have been a significant factor in inflation, and is yet another reason, Chair Cantwell, why it is so important that we manufacture in this country domestic semiconductors. Last point I will make very quickly, is I think we all understand we have a big challenge with respect to international trade.

I think many of my colleagues from the Pacific Northwest, something like one out of three jobs in the Northwest, revolves around international trade. The trade jobs often pay better than do the non-trade jobs. So it is absolutely key that we get trade right. That means we have got to go after blatant trade rip offs that undercut our jobs and our consumers.

And it is particularly important to shed light on repressive censorship by China, Russia, and other Governments that hurt Internet users, trample on human rights, and makes it tough for American exporters to compete. For a lot of us, we have been through these kinds of challenges—Conferences.

I am looking at my colleagues on both sides of the aisle. This one is going to be big by anybody's past history of these issues. I look forward to working with you and our colleagues, Madam Chair, and particularly a Ranking Member Senator Crapo, who shares my concern about semiconductors.

The CHAIR. Thank you. Thank you. Senator Crapo, welcome.

**STATEMENT OF HON. MIKE CRAPO,
U.S. SENATOR FROM IDAHO**

Senator CRAPO. Thank you, Madam Chair. And I share Senator Wyden's feelings about confidence in your leadership on this issue.

It is critical, and I look forward to building a strong resolve to make America stronger and more competitive, and to resolve these issues. We began this Congress working together in the Senate to produce a bipartisan bill to improve American competitiveness against China.

The Senate's bill, and particularly its trade title, succeeded in that respect. Passing, as Senator Wyden likes to say, with nail biting margin of 91 to 4. What didn't work in this Congress was the partisan battles we had over reconciliation and a number of other issues. So as we begin to work in this Conference, let's return to that bipartisanship.

On my end, I am open to add, modify, and subtract from the Senate trade title, if such changes enjoy support from the four corners in the Senate Finance and House Ways and Means committee and broad support from the conferees. Because of the limited time today, I am not going to comment on specifics of the trade title at this time, but I appreciated Senator Wyden raising semiconductors.

In the spirit of bipartisanship, there are some key tax proposals that haven't been included in the bill yet, that have been raised by members from both sides in our committees of jurisdiction that could meet that bipartisan standard. I am referring to the R&D expensing provisions under Section 174, and the FABS Act, the Fabricating American Build Semiconductors Act, which could be significant in achieving the very objectives that Senator Wyden and talked about in terms of making sure that our semiconductors are manufactured here in the United States.

Each of these provisions incentivize innovation and sophisticated manufacturing, which we should all agree, will make us more competitive against China. My goal is not to get out of Conference with the bare minimum of support, but to expand bipartisan support on those elements that will further American competitiveness.

The Senate and House were able to do that when we worked together on the Russia trade legislation that passed the Senate 100 to 0 and passed the House 420 to 3. I thank Senator Wyden and Congressman Neal and Brady for the way they all work together with us on that issue. I am willing to work in this Conference toward the same thresholds for our China legislation.

We all want to improve our competitiveness against China, but we need to be mindful particularly because of high inflation, that unnecessary spending will also make us less competitive. Thank you, Madam Chair.

The CHAIR. Thank you. Thank you for your important remarks and for your important leadership. We are now joined by the distinguished Chairman of the House Ways and Means committee, Congressman Richard Neal.

STATEMENT OF CONGRESSMAN RICHARD NEAL

Mr. NEAL. Thank you, Chair Cantwell and Chair Johnson, for calling this important meeting. I am delighted to be joined by my friend, Mr. Brady, the Ranking Member on the Ways and Means committee as well, and actually to participate in what I think is going to be a real Conference.

The Congress I came to actually did this with great regularity, and it was a great subject of open debate but real negotiation. Re-

fraining from saying things in public that we would have trouble walking back. Understanding that in line with negotiation, it genuinely is give and take. I think while we are in broad agreement on principle, as is always the case in negotiations, it is the specifics that sometimes divide us. But I also am pleased that this Conference is taking place.

A reminder, I think, to our friends in the media as well. If we were holding this Conference about a year and a half ago, we would have all been told what a great job the Chinese had done of managing COVID. And now we find that if management of COVID is arresting people in the streets who dare to protest the lockdown procedures that have taken place, we might come to a different conclusion.

This is not about being anti-Chinese. This is about addressing a serious international trade issue. Again, upon arrival in Congress, trade was a very bipartisan consideration. All sides found agreement and accommodation in advancing the principles of trade. But it is also a broad acknowledgment today that China presents a key and defining challenge in our time.

We have spent the past few decades attempting to incorporate China into the global trading and international economic system, hoping that they would eventually play by the same rules that the rest of the world would play by. They would continue to move toward democracy, support human rights at home with the understanding that more choices in the marketplace would invite more choices in the polling place. Unfortunately, that has not happened.

Instead, they have become more emboldened in the use of non-market and anti-competitive trade practices. They have taken a step backward on human rights. And they continue to deploy economic coercive tactics against allies and our own American businesses' interests. Now, there is growing concern regarding China's support of Russia's unprecedented invasion of Ukraine.

This Conference is an opportunity for both parties in both chambers to come together to directly respond to this challenge. I am committed to working in a bipartisan, bicameral fashion to deliver a strong bill that supports American workers, manufacturers, and businesses, while confronting unfair international trade practices head on.

So let's take advantage of the moment. I think that we all need to be rowing the boat in the same direction. And let's reward American innovators in a competitive international marketplace, shore up our supply chains, and propel the United States to a prosperous, secure future for generations to come.

And those of you who have worked with me over the years, you know that what I just said is entirely sincere. I want to work with both chambers and both parties to get a really good piece of legislation. Thank you, Madam Chair.

The CHAIR. Thank you, Chairman Neal. Next, welcome to the Ranking Member from the House Ways and Means committee, Congressman Kevin Brady.

STATEMENT OF CONGRESSMAN KEVIN BRADY

Senator BRADY. Thank you, Chair Cantwell and members of the Conference committee. The litmus test for this Conference is two-

fold, will the final bill significantly counter China's economic aggression, and does it confront China's predatory trade practices? If not, there is no reason to advance it.

In trade, while portions of the Senate bill are bipartisan, the House version is not. I will do my best to find common ground and work closely with someone who I respect and have a good track record with finding common ground, Chairman Neal. If we are serious about countering China's economic aggression around the globe, America must begin to lead on trade, pursuing strategic trade agreements that strengthen reliable supply chains and opens new customers for Made in America products and services.

Without trade agreements and trade promotion authority, there is no need for TAA. GSP And MTB should have been extended last year with bipartisan support. We must be cautious about extreme ideological proposals that make it harder for developing countries to qualify for GSP.

U.S. manufacturing companies and their workers shouldn't lose out to foreign competitors due to tariffs on select parts, equipment, or materials not available in America today. Trade remedy and investment provisions work best when they are fully and carefully vetted in both chambers of Congress.

Serious concerns exist, and I hope they can be addressed. We should avoid stoking President Biden's inflation further, harming small businesses fighting to succeed in international commerce or distracting U.S. Customs from deterrence of illegal trade in major shipments through hasty changes and reasonable de minimis limits.

Finally, I see no need for a tax title in this Conference report, especially one favoring a single industry. If at all, we should confront the brazen Made in China 2025 plan for industrial and technological dominance by unleashing all of America's innovation and economic might across myriad industries.

With that, I too look forward to working with Chairman Wyden, Senator Cramer—Crapo, Chair Cantwell, and others in this Conference committee.

The CHAIR. Thank you. We will now hear from the author of—
[Technical problems.]

**STATEMENT OF HON. MARK WARNER,
U.S. SENATOR VIRGINIA**

Senator WARNER. Thank you, Chair Cantwell. Thank you for your great work on this, and to our colleagues in both the House and the Senate. This CHIPS legislation came about because John Cornyn and I both serve on the Intelligence committee, and we hear the complete story of China's remarkable level of investment in cutting edge technologies. And let me echo what Chair Neal said, our beef is with the Communist Party of China and Xi Jinping's leadership, but not with the Chinese people or the Chinese diaspora around the world.

We have seen America's supply of semiconductors fall from about 33 percent, manufacturing down to single digits. We have almost seen the exact converse take place in terms of China's investments. My fear, as well is that what we are seeing in semiconductors and the need for us to make investments, we may need similar type ap-

proaches in artificial intelligence, quantum computing, synthetic biology.

We need to maintain America and the West's leadership in cutting edge technologies. I am concerned and think there needs to be a real sense of urgency around getting this job done. I personally believe that regardless of announcements made by Intel or TSMC or Samsung or others, there will be no American manufacturing fab built at all, regardless of the announcements, unless we complete this legislation and the CHIPS component.

I would add we also need, and we may have to wrestle with this one a little bit, I do think we need a tax title, the FABS component. Again, Senator Cornyn, I have worked with Senator Crapo and Senator Wyden on this issue. I would point out as well, last comment, that we have to do this to stay competitive with China. But one of the great ironies is that we came up with this idea roughly about a year ago, and on a relative basis, the Senate moved fairly quickly.

The Europeans at that point did not even have a plan in place. Europeans took our plan, and when European bureaucracy moves quicker than America, we know we need to kind of take a deep breath. And I know Intel, we received close to €8 billion euros of German support for their facility that they have announced in Germany before they see a single dime from any American investments.

So we need to get this done. I appreciate Chair Cantwell's great work and let's work together to make it happen.

The CHAIR. Thank you. Now the other author of the CHIPS legislation, Senator John Cornyn.

**STATEMENT OF HON. JOHN CORNYN,
U.S. SENATOR FROM TEXAS**

Senator CORNYN. Thanks, Madam Chairman. And I know you have been anxiously awaiting this day and so have I. COVID-19 exposed supply chain vulnerabilities from PPE to semiconductors. But if you start focusing on our dependency on foreign sources of semiconductors, these advanced micro circuits that basically run everything with an on and off switch, it is truly shocking the extent to which the United States is dependent on importing these advanced semiconductors from Asia, primarily.

90 percent of the advanced semiconductors in the world are made in Asia. About 63 percent of that 90 percent are made in one place, Taiwan. And given the explicit threats of the Chinese Communist Party made against Taiwan, it is not unlikely that we could see one of three things either be because of a pandemic, because of a natural disaster, or because of an invasion of Taiwan, we might see the United States access to these advanced semiconductors that run everything, from our cell phones to the F-35 Joint Strike Fighter, in jeopardy.

Right now, we are seeing what the impact of the sanctions that the United States has imposed against Russia on imports of advanced technology, what impact that is having. Secretary Raimondo has spoken quite well on that. So this is money that will be well spent. For some of us, it is a little bit outside of our ordinary comfort zone.

But the competition we are having with China is unlike any we have experienced throughout our history, and we have to begin to close these vulnerable supply chains. So I agree with my dance partner, Senator Warner. We—there is a sense of urgency. If we don't do this and don't do it quickly, the companies from Micron to Intel to Samsung and others will be making these investments somewhere, but it won't be here in the United States.

And they have a huge demand for their product. It is growing exponentially. And if we don't do something about it in the immediate future, I think it will be a missed opportunity, and that vulnerability that I just described will continue. Thank you.

The CHAIR. Thank you. Next, we will hear from my Northwest colleague, Congressman Earl Blumenauer.

STATEMENT OF CONGRESSMAN EARL BLUMENAUER

Mr. BLUMENAUER. Thank you, Madam Chair. This Congress has a chance to deal with several longstanding policy challenges, investing in the semiconductor manufacturing including legacy chips, providing cannabis businesses with access to banking, and responding to the challenges of the United States American trading relationship. It is critical that the Safe Banking Act be retained in the final Congress.

You saw, Madam Chair, three people killed in one week in your state. The Safe Banking Act is an issue of public and workers safety. It has passed the House six times. I hope we work together to retain it because it is a matter of life and death. I am proud that this—of the strong trade title in the America COMPETES Act, which confronts China head on and supports American workers and manufacturing, not just talking about it.

I will measure each provision in the trade title by two metrics, is it tough on China and does it support American workers. I note the recent vote on the motion to recommit suggests to me that there is some flexibility in our—with our Senate colleagues. The trade provision in the COMPETES Act is pro-worker and responsive to the challenges of China trading relationship. Workers businesses will benefit from a dramatically improved trade adjustment assistance. Without our action, it disappears entirely in July.

Workers and communities deserve better. And we get tough on China by closing that de minimis loophole on goods from China, eliminating finished products from the trade bill. Taken together, these changes restore the programs back to their original intent, supporting American workers and domestic manufacturers, not undercutting American suppliers to Chinese benefit.

At its core, this Conference committee must contain a trade title that meets workers' needs and bolsters America's ability to compete with China and the rest of the world. Thank you, Madam Chair, and I yield back.

The CHAIR. Thank you. Thank you, Congressman Davis.

STATEMENT OF CONGRESSMAN DANNY K. DAVIS

Mr. DAVIS. Thank you, Madam Chair. I am pleased to be a part of this Conference reconciliation process, which is designed to strengthen manufacturing opportunities in the U.S. and reduce our reliance on goods made in other countries, and especially China.

When we compare the two bills, we find strengths and weaknesses. We find more strengths in one and more weaknesses in the other.

We find worker protections in one and the absence of worker protections in the other. I believe that as we proceed to merge the two, I think it is in the best interests of the U.S. trade and manufacturing policies to preserve, protect, and promote the reestablishment of manufacturing and job creating opportunities back to the front line in urban communities where people are hurting for job training and work opportunities.

It is my belief that the COMPETES Act of 2022 does a better and more effective job of doing just that. I thank you and yield back the balance of my time.

The CHAIR. Thank you, Congressman. Welcome to my Northwest colleague, Congresswoman Susan DelBene.

STATEMENT OF CONGRESSWOMAN SUSAN DELBENE

Ms. DELBENE. Thank you, Madam Chair. First, I want to thank Chair Cantwell, my colleague from Washington State, for her leadership on this important Conference committee. And I also want to thank Speaker Pelosi and Chairman Neal for appointing me to serve on the Committee. I think we have a unique opportunity to work together, not just as Democrats and Republicans, but as one Congress to deliver for workers, for families, and for the American economy.

As the Chair of the 98 member New Democrat Coalition, I am also very laser focused on reaching an agreement that invests in American jobs, growth, and resilient supply chains that will address the real concerns that Americans have about inflation and our economic future. This includes making more computer chips right here in the U.S., which are critical for many sectors of manufacturing in Washington State, including medical devices, trucks, and new technologies to power the increasingly digital economy.

We also have an opportunity to ensure that no community is left behind, and I support preserving the RECOMPETE Pilot Program to provide resources to economically distressed communities. It is a key priority. As a leader on the Ways and Means committee, I am also focused on reducing barriers to trade, leveling the playing field for American workers, forging new trade rules for the digital economy, and building stronger ties with like-minded countries to counter unfair trade abuses from China and others.

These investments are critical to putting America on the path to be a global leader in the 21st century. And all the work that has gone into these proposals so far means nothing until we get legislation to the President's desk. And so, as others have stated, we must show a sense of urgency in our work here.

We don't break ground on new factories, hire more American workers, and build more products here at home until we get this done. The American people want governance to work again, and that is our charge in this committee. Thank you, Madam Chair. I yield back.

The CHAIR. Thank you. I am going to turn the gavel over to my colleague from Oregon while I run to the floor to vote, but next will be Congresswoman Judy Chu.

STATEMENT OF CONGRESSWOMAN JUDY CHU

Ms. CHU. Thank you. As chair of the Congressional Asian Pacific American Caucus, I would like to speak about the unique impact the bipartisan Innovation Act has on the Asian-American community. As we continue this Conference process it is imperative to keep in mind that the language we use to talk about this bill matters.

Anti-Asian hate is still rising. Alarmingly, a recent survey found that over the past few years, Americans have become more, not less likely to suspect that Asian-Americans are more loyal to the countries they or their families immigrated from than the United States. The cost of this suspicion is the lives that have been lost to anti-Asian hate. There have been more than 11,000 incidents of anti-Asian hate since March 2020 and hate crimes against Asian communities have increased 339 percent.

As leaders, it is our responsibility to do everything we can to stop anti-Asian hate. That starts with changing our rhetoric. We are here today to discuss a bill that will transform the American economy and improve the lives of countless Americans, and we support that 100 percent. Framing it as an American leadership bill rather than the China competition bill reduces the risk of hate against our communities here at home.

Second, there are four provisions in the Senate passed version of the bill that open the door to racial profiling of Asian Americans from within our own Government. These provisions would essentially empower Government agencies to investigate individuals, organizations, or businesses just because they have economic, social, cultural, or family ties to China.

These policies are blatantly discriminatory, and I look forward to working with all of you to ensure that our concerns are addressed in the final bill. Thank you, and I look forward to working with all of you throughout the Conference process.

Senator WYDEN. I thank my colleague. Next three in order will be Congressman Kildee, Congressman Gomez, and Congressman Smith.

STATEMENT OF CONGRESSMAN DAN KILDEE

Mr. KILDEE. Thank you, Senator Wyden. And my thanks to Chair Cantwell and especially to Speaker Pelosi and Chairman Richie Neal for naming me as a member of this really important Conference committee. With this committee, we have an incredible opportunity to work together, Democrats and Republicans, to increase America's competitiveness in the world, particularly with China.

And I believe we have an obligation to move beyond conversation and to deliver, to get a bipartisan compromise bill to the President's desk. There are so many aspects of this legislation that are important, strengthening domestic supply chains to lower costs for families, investing in the domestic production of critical components like semiconductors, to bring more manufacturing back to America and ensuring that we have a robust trade agenda, including a Trade Adjustment Assistance for Communities Program, to help those places that have been left behind by past trade deals.

Right now, in my hometown of Flint, thousands of cars sit unfinished, finished except for chips. These chips were invented here in America, and for many years they were made here too. But now the dependence and shortage of foreign made chips is resulting in Michigan workers being laid off, furloughed, facing work stoppages, and it is costing the automotive industry billions of dollars in lost sales.

As conferees, we must prioritize investments to boost domestic manufacturing of semiconductors, including investment specifically for chips used in automobiles. And I have—as I have mentioned, perhaps a time or two, we must prioritize a robust Trade Adjustment Assistance for Communities Program.

I represent mid-Michigan, as I said, which includes many smaller, older industrial communities that have been hurt by past deals. As a member of the Ways and Means committee, I have worked with my colleagues, Democrats and Republicans, to replace outdated trade deals like NAFTA with stronger agreements like the USMCA.

But our trade deals can only be truly fair when every community, especially those that have suffered chronic economic hardship and job loss due to trade, can compete for the new economic investments and the jobs that this opportunity offers. Included in the House passed version of our bill is my legislation, TAA for Communities, a program that will help qualifying communities create and execute locally driven, market based economic development plans.

So I look forward to working with every member of this important committee, Democrats and Republicans, from the House and the Senate, to get this job done for the American people. I yield back.

Senator WYDEN. Congressman Kildee, I have enjoyed working with you in the past and look forward to continuing. Next is Congressman Gomez.

STATEMENT OF CONGRESSMAN JIMMY GOMEZ

Mr. GOMEZ. Thank you, Mr. Chairman. We have a historic opportunity to level the playing field against unfair trade practices and uplift working families in Los Angeles and across the country. I am proud of the trade provisions in the COMPETES Act put forth by the House Ways and Means committee under the leadership of Chairman Neal.

In particular, modernizing and reauthorizing the Trade Adjustment Assistance Program to better support workers and communities who are adversely affected by trade. The House COMPETES Act makes key improvements to TAA by establishing a childcare allowance for parents, increasing benefits for workers using the health care tax credit, expanding eligibility to all workers impacted by trade, ensuring TAA serves workers who are non-native English Speakers, and requiring outreach to historically underserved communities, like many which I represent.

Reauthorizing TAA to meet the needs of today's workforce that is still recovering from the pandemic is critical because the program expires by June. I urge my colleagues to reauthorize and strengthen the GSP program, which includes improved labor and

environmental criteria that will promote a more equitable, sustainable, and accessible economy.

Our trade policy must reflect our Nation's values and align with the standards of recent preference programs. I also urge my fellow conferees in the House and the Senate to continue to put forth a worker centric trade paradigm that we started under USMCA and support provisions that empower American workers and promote better wages at home. With that, I yield back. Thank you, Mr. Chairman.

Senator WYDEN. Thank you, Congressman. Next is Adrian Smith.

STATEMENT OF CONGRESSMAN ADRIAN SMITH

Mr. SMITH. Thank you, Mr. Chairman, and appreciate this opportunity. I think it is certainly timely that we are discussing these issues. We know we need to be more competitive. I appreciate the point made that we want to show leadership in the world. And I think we have the opportunity to do so.

I am concerned about the House version and that it was not bipartisan in nature, so I am glad we can use this process to course correct. I do believe that we need to prioritize things like GSP and MTB. And I think it is a mistake to actually narrow the eligibility and add more red tape, especially in the middle of this supply chain crisis that we know we are feeling. I appreciate the concerns about de minimis. I appreciate them enough that I would hope we could work on vetting that.

And as I hear from the front lines of our economy, we need to be very cautious as we move forward. I don't want unintended consequences to be the result. So, trade adjustment assistance, I realize the role of TAA.

Again, and in the midst of a worker shortage, I don't think we should delink a TAA from what has traditionally been an opportunity to move that forward with trade agreements, and I hope that we can work together on that. If there is some interest in airdropping a tax title into the package, I hope that we work together ensure that we can resolve the existing disagreements before we would consider that.

And above all, I hope that we can focus on a broad based approach to our supply chains. Yes, chips are—we are short on those. We see that in a lot of places. But manufacturing plants in my district with half a million dollar combines parked on the parking lot, you mentioned autos, I am sensitive to that, it is more than just chips where those parts are short.

So I hope that we can come together to finalize a product. Yes, we want to hold China accountable, but we want to show leadership on this and broad based opportunities for our supply chains to recover. Thank you. I yield back.

Senator WYDEN. Thank you, Congressman. The next three will be LaHood, Miller, and Senator Brown.

STATEMENT OF CONGRESSMAN DARIN LAHOOD

Mr. LAHOOD. Thank you, Senator Wyden. And I want to acknowledge Senator Cantwell for her leadership and my fellow conferees. Also want to thank Ranking Member Brady and Leader

McCarthy for selecting me to be part of the Conference committee. As we embark on this important effort to counter the threat of China, we must work to ensure policies that protect our National Security, secure our supply chains, and ensure a robust and ambitious trade agenda.

Our constituents are relying on us to craft policies that support U.S. jobs and economic opportunities here at home. And a key part of doing this is opening markets for our companies and workers around the world. The Ways and Means committee, under the leadership of Ranking Member Brady—and I hope that conversations around the trade title reflect the ongoing need for U.S. leadership in the Indo-Pacific region to counter China and protect market access to U.S. products.

The United States must lead and set high standards through free trade agreements. We must also create binding norms in the region to promote high standard digital trade. It is my hope that we will not be bogged down in this Conference committee by political agendas. Unfortunately, the partisan set of policies that were part of the House bill, as it related to the trade title of the COMPETES Act, really do nothing to advance our goal, which is sending a strong message to China.

We must hold China accountable to the trade commitments it has made, both at the WTO and in bilateral negotiations with the United States. And we must continue to enforce agreed upon norms and standards required to interact in a free and fair global marketplace. It is incumbent upon us to show China and other adversaries around the world that we will continue to invest in our National Security, economic security, and trade commitments.

Moving forward in this Conference committee, I hope we have a transparent, productive, bipartisan process that represents the best interests of America and the American people. Thank you, and I yield back.

Senator WYDEN. Thank you, Congressman. Next will be Congresswoman Miller.

[Technical problems.]

STATEMENT OF CONGRESSWOMAN MARY MILLER

Ms. MILLER. Now can you hear it? Thank you, Senator Wyden, Chairman Neal, and Ranking Member Brady. It is such an honor to serve as a conferee as we work to resolve the differences between these two pieces of legislation. For our constituents, we must set our sights on ambitious and constructive policy.

We must work in a bipartisan manner to craft a final bill that holds China accountable for its predatory trade practices, strengthens American competitiveness, and opens new markets for American companies and their workers. The partisan America COMPETES Act falls short of this goal in every way.

Rather than leveling the playing field for American goods and services, and strengthening our small businesses, this legislation hamstringing hardworking Americans with more red tape. COMPETES is a concession and capitulation to China. It will burden innovative American companies with more Government bureaucracy, making it harder to compete against these Chinese counterparts.

The trade title contained in USICA was negotiated in a bipartisan manner, helps reauthorize key trade programs, GSP, MTB, and holds China accountable for its use of forced labor and censorship. Our constituents and markets need strong trade policy. I hope that we start our discussions with the Senate trade title as our baseline. We are at a critical juncture in our relationship with China.

While holding China accountable to its phase one commitments, we must also chart a path forward for our long term engagement with this critical trading partner. As I will—again, I am honored to be part of this Conference committee, and I yield back.

The CHAIR. Thank you, Congresswoman Miller. That concludes the Senate Finance and Ways and Means participation in the Conference. We will now turn to our colleagues from the Committee on Banking, Housing and Urban Affairs, and the House committee on Financial Services. And I would like to call on the Chairman of the Senate committee, Senator Sherrod Brown.

**STATEMENT OF HON. SHERROD BROWN,
U.S. SENATOR FROM OHIO**

Senator BROWN. Thank you, Chair Cantwell and Chair Neal. On Banking and Housing, we have heard from economic experts about our supply chains and other issues we need this legislation to address. I want to thank Ranking Member Toomey and Chair Waters for their work to negotiate a strong, final bill that brings more of these supply chains back home. Pretty simple, we need to make more in America.

For generations, Ohio was a global leader in manufacturing and innovation, the lifeblood of our communities. Beginning in the 70s and 80s, we stopped making things in America. Corporate America wanted cheap labor wherever they could find it. They lobbied Congress all too successfully for tax breaks and bad trade deals as they hopscotched the globe to search for lower and lower wages.

Ohio paid the price for years in the form of lost jobs and lost opportunity. Now the whole country pays the price higher, higher prices, supply chain delays, losing entire high tech industries to China. Look where we have ended up. Ohio invented the light bulb, yet today, 99 percent of LED bulbs are made in China. America invented the semiconductors, 75 percent of them are made in East Asia. It is why our work is so important on this committee.

We need bipartisan legislation that puts American workers and American innovation first. We know competitors like China spend billions propping up State owned enterprises, investing in R&D.

China has gotten pretty good at taking our ideas, monetizing them, and using them to compete against American workers. They pay workers less, giving them fewer rights. It is why we included new sanctions on those who steal our trade secrets. It is why we need Brown, Portman Level the Playing Field Act to crack down on China's cheating.

This bill is our opportunity to fight back, to finally begin to fix decades of mistakes, and only it is our opportunity to bury the term Rust Belt, that we are burying it in Columbus, Ms. Miller's hometown with Battelle and Intel's 10,000 semiconductor jobs. We are

burying it in Dayton with aerospace. We are burying it in Toledo with the largest solar manufacturer in the country.

We are burying it in Cincinnati, with advancing manufacturing partners, chips that President Biden announced on Friday. And we are burying it in Cleveland with NASA. It is time for our whole country to bury the term Rust Belt. It is past time to send a final make it in America bill to the President's desk. Thank you, Madam Chair.

The CHAIR. Thank you, Senator Brown. Thank you for your leadership on Banking. We will now turn to the House committee on Financial Services, Chairwoman Maxine Waters.

STATEMENT OF CHAIRWOMAN MAXINE WATERS

Ms. WATERS. Thank you very much, Chair Cantwell. And of course, my friend, Chairman Sherrod Brown. I am honored to serve as a Conference committee member of the America COMPETES Act of 2022. With this legislation, we will strengthen the competitiveness, safety, and security of American businesses, combat illicit finance, and counter the anti-competitive actions taken by China.

My colleagues on the Financial Services committee and I have authored several provisions within the America COMPETES Act that are essential to achieving these goals. These include provisions to empower U.S. interest in multilateral development banks, to respond to China's predatory loan arrangements, and to provide debt relief to developing countries, in part as a counter to Chinese influence.

Our House passed proposals also strengthen anti-money laundering authorities at the Treasury Department and improve the United States response to the COVID-19 pandemic. Further, the bipartisan House support for the Safe Banking Act is evident in its inclusion in America COMPETES, and I urge my fellow conferees to support its inclusion in the final Conference report.

I recently led a Co-Del to the Caribbean and saw firsthand the aggressive tactics that China is pursuing to spread its influence in this region. America must do more to counter these efforts, and we must actively engage with allies and neighbors to do so.

America COMPETES and its wide range of proposals move our Nation in the right direction, improving our competitiveness and fortifying our goal and our response at home and abroad. Thank you very much. I yield back.

The CHAIR. Thank you, Chairwoman. And thank you to both you and to Senator Brown for your leadership, and to mentioning—several members have mentioned the Safe Banking Act as part of their testimony today, so we appreciate that very much. I know we have a few colleagues from this segment that aren't here at this moment. We will entertain comments from them if they arrive.

But we will take a short recess to reconvene in 10 minutes to start on the next section of the Conference, and that will be to hear from members of the Education, Homeland Security and Veterans Issues. So we will recess for a short 10 minutes.

[Recess.]

The CHAIR. OK. Yes, we will hear from Congresswoman Garcia. Thank you. Welcome, Congresswoman Garcia. Thank you for making it over here to the Senate. We appreciate you coming over here

and being part of this session. You know, we have had a few people that have their own schedules for today, so we very much welcome you and welcome your participation.

STATEMENT OF CONGRESSWOMAN SYLVIA GARCIA

Ms. GARCIA. Thank you so much. And I do apologize. I have had multiple hearings to kind of bounce around and I feel like a ping pong today. But it is so good to be here and to be a part of this Conference committee. It is the first time I have done this, so I am eager to learn. And obviously you have already heard from our Financial Services Chair, Maxine Waters.

And not having heard her remarks, I am sure they were great, and I associate myself with all of them. I look forward to working on the issues related to the COMPETES Act that are particular to Financial Services. I know that we have been working really hard to stay on those priorities and to make sure that we have a good package as an ultimate result.

I also would like to mention that I do have a bill that was included, H.R. 987 about funding maritime career and education programs that is a part of the T&I portion, but it is something that I worked on this session and last session. As you know, we are having a supply chain issue and certainly making sure that we prepare for the next generation of maritime workers to continue working in and around our maritime areas, the docks, to ships to make sure that supply chains can be maintained and grow.

So that would be the focus of anything that I do here together with Chairwoman Waters. And I certainly look forward to all our sessions.

The CHAIR. Well, thank you, Congresswoman. Thank you for that important mission of the supply chain as it relates to the maritime sector and workforce issues. So, something that I care greatly about and my State cares greatly about. And obviously we can see from where we are on the supply chain and the need to have a skilled workforce is critically important, so thank you very much for your comments this morning.

OK, so now we will take just a 5-minute recess and reset the room for our next colleagues, some of them who have already made it into the room, but we will reconvene in 5 minutes for Education, Homeland and Veterans. Thank you.

[Recess.]

The CHAIR. The Conference committee on bipartisan legislation on Innovation and Competition will reconvene. We are going to hear from our colleagues now who are from the Senate Health, Education and Labor and Pensions committee, and House Education and Labor committees. So I would like to turn to my colleague, the distinguished chair, and my dear friend of the Senate committee, the HELP Chair, Senator Patty Murray.

**STATEMENT OF HON. PATTY MURRAY,
U.S. SENATOR FROM WASHINGTON**

Senator MURRAY. Thank you very much, Senator Cantwell. I am really delighted to be working with you on this committee, as well as Senator Wicker and Senator Burr, Representative Scott, Representative Fox, and really so, so many others to get this really im-

portant legislation across the finish line for people across our country.

Washington State families can't rely on foreign competitors to bring down prices or strengthen our supply chains or provide U.S. workers with good paying jobs and build a brighter future for our country. We have to do this ourselves.

Which is why I am going to be pushing to make sure we draw on the best ideas from both the House and Senate bills and pass the strongest package we can to keep our country competitive on the world stage. And it is clear to me that the bills we have passed already give us a very strong bipartisan foundation to start with when it comes to supporting students.

Both of these bills include important provisions to give K-12 students, especially historically marginalized students, better opportunities to pursue an interest in computer science and other STEM fields.

And the House bill includes valuable steps to support those pursuing an higher education, like letting students use Pell Grants for high quality, shorter term education and training programs, particularly for high skilled, high wage, and in-demand fields. And providing better post-secondary outcome data and improving transparency so students can get clear information about things like completion rates, post-college earnings.

And when it comes to supporting workers who are the backbone of our economy, I want to make sure we pass a bill that not only connects workers with high quality workforce development opportunities that prepare them to compete in the economy of the future, but creates good paying jobs in those fields right here in the U.S. and of course, particularly in the Pacific Northwest.

I am going to be fighting to make sure we keep stronger worker protections in this package, as well as to take action on many other ideas in these bills that can help spur economic growth, like steps to strengthen our medical supply chain and prevent undue foreign influence in biomedical research, two issues that Senator Burr and I have also been working on to address in our bipartisan Prevent Pandemics Act.

And I do want to take a second to be really clear on one other item. I hope we can all come to an agreement to keep safe banking in our final bill so that cannabis stores in States like mine do not have to operate entirely in cash. This is really a straightforward, bipartisan solution to a real public safety threat that I strongly believe that we should all be able to agree on.

Now, as Senator Cantwell knows well, Washington State is already the home of premier research institutions, technology and aerospace leaders, and growers and producers that are constantly competing on the world stage.

And my focus on this committee is to make sure we maintain our competitive edge, because a more competitive U.S. economy means more good paying jobs for workers from Seattle to Spokane, new markets for our producers and small businesses in the Yakima Valley in Eastern Washington, better opportunities for students and workers who are interested in careers in STEM, manufacturing, and other fields of the future, reliable supply chains for semi-

conductors, medical products, and more, and will lower costs for families in this country. So thank you, Madam Chair.

The CHAIR. Thank you. We will now hear from the Ranking Member of the Senate Health, Education, Labor and Pensions committee, Senator Richard Burr.

**STATEMENT OF HON. RICHARD BURR,
U.S. SENATOR FROM NORTH CAROLINA**

Senator BURR. Senator Cantwell, thank you for the recognition. More importantly, thank you for sharing this Conference. I would ask unanimous consent to enter my remarks into the record.

The CHAIR. Without objection.

[The information referred to was unavailable at time of printing.]

The CHAIR. Wow. That means extra attention to HELP committee recommendations. Thank you. We will now turn. I don't see our colleague here from the Chair of the House committee, so I will turn to our Ranking Member, Congresswoman Virginia Foxx.

STATEMENT OF CONGRESSWOMAN VIRGINIA FOXX

Ms. FOXX. Thank you, Senator Cantwell, very much. In its current form, the House passed COMPETES Act does more to hamstring our economy than to help America compete with China. For example, this legislation is littered with language that empowers big labor at the expense of workers and job creators.

These provisions strip America's economic engines of the right to manage their own businesses. Further, mandating card check opens workers up to harassment by union bosses. Secret ballots allow workers to vote as they see fit without fear of reprisal or harassment. COMPETES would also expand prevailing wage requirements, which artificially inflate labor costs by more than 20 percent.

This puts an even greater financial burden on taxpayers and could hinder America's economic growth. In the education space, this bill infringes on the privacy of every American college student by creating a Federal database to track students throughout their lives without their consent. This sounds like an idea from the National

People's Congress, not the U.S. Congress.

It is hard to believe we are talking about this, given reports this month about the Education Department providing Facebook with the private personal information of students and families without their knowledge. Sadly, this bill fails to strengthen our workforce development system, it blocks pathways to successful careers, and increases the control of Washington bureaucrats over the work force.

These outdated swamp first ideas won't ensure our workforce is ready to compete successfully in the 21st century. Moreover, this legislation discriminates against career focused and innovative on-line programs.

How does excluding an entire sector of post-secondary education, the same sector that produces a majority of the short term program graduates help America. Unless these troubling provisions are addressed, America will be conceding to not competing with China. Thank you.

The CHAIR. Thank you, Congresswoman. We will now turn to Congressman Joe Morelle. Welcome.

STATEMENT OF CONGRESSMAN JOE MORELLE

Mr. MORELLE. Thank you, Madam Chair. I am grateful for the opportunity to be part of this historic effort. The legislation being discussed will address two goals critical to America's need to compete effectively with China, bolstering our National Security and fostering our economic prosperity. I am honored to join my colleagues in this effort that will reaffirm the United States' leadership in research, innovation, and manufacturing for decades to come.

I am excited for the work ahead and look forward to securing these investments that will deliver economic opportunities for my constituents back home in Rochester, New York. I would like to express my gratitude to Chairman Scott for his leadership on the Education and Labor committee, and for the opportunity to join him in representing the Committee during these negotiations.

If we are serious about ensuring American competitiveness around the world, we need to strengthen our Nation's workforce and provide a strong educational foundation to prepare individuals for jobs in an ever changing, fast paced economy, while also investing in research and critical manufacturing infrastructure.

In addition to Chairman Scott, I want to extend a heartfelt thank you to Chairwoman Eddie Bernice Johnson of the Science, Space and Technology committee for her leadership and partnership over the past several years as we have worked to secure critical R&D investments. In early 2020, I introduced the Innovations Centers Acceleration Act, legislation that will make considerable investments in our Nation's innovation efforts.

I am grateful that priorities embodied in the bill are reflected in the America COMPETES Act. Regional technology and innovation hubs will forge collaborative partnerships between local Governments, colleges and universities, private industries, and community based organizations to promote and support regional innovation.

This means economic opportunities currently consolidated in just a handful of metro areas will now be available to communities across America, like my hometown of Rochester, that hold significant, untapped potential. Not only will this enhance our ability to be competitive globally, but also strengthen our economy and create jobs at a pivotal moment in our Nation's history.

Again, I am grateful to be a part of this process. When we invest in our communities and in our people, we invest in the future of our Nation. Thank you so much. I yield back.

The CHAIR. Thank you, Congressman Morelle. We will now hear from members from the Senate Homeland Security, Government Affairs Committee, the House Homeland Security committee, and the House Committee on Oversight and Reform. First, I would like to turn to the Chair of the Senate Committee, Senator Gary Peters.

**STATEMENT OF HON. GARY PETERS,
U.S. SENATOR FROM MICHIGAN**

Senator PETERS. Well, thank you, Chair Cantwell, and thank you for your leadership on this bill and your leadership of this Con-

ference committee. You know, I believe that you can't be a great country if you don't actually make things. And a strong economic competitiveness bill is really the key for us to create good paying jobs, outcompete anyone on the global stage, including the Chinese government, and continue to lead in manufacturing, both in my home state in Michigan, as well as all across the country.

The auto industry is a prime example, where we have seen how our dependance on foreign manufacturers for semiconductor chips has significantly hindered American auto production. Workers have been temporarily laid off, families have struggled to get by, and small manufacturers up and down the supply chain have been dealing with great uncertainty. We must boost domestic chip production to support our national needs by funding the CHIPS Act with \$52 billion.

We must also maintain the \$2 billion investment in funding, which Senator Stabenow and I fought for, that would be dedicated to so-called mature chips that are essential for a wide range of manufacturers, including in the defense industry, as well as the auto industry. We also need to make our semiconductor supply chains more resilient. I have proposed bipartisan legislation, which was included in the House bill, to clarify the CHIPS Act.

Incentives can be used to bolster domestic production of the materials and manufacturing equipment actually necessary to make those chips. Without these essential inputs, we can't grow domestic chip manufacturing.

And finally, this bill is an important opportunity to secure our position as the world leader in advanced research and development, cutting edge technologies like artificial intelligence and other innovations that strengthen our economic competitiveness and create good jobs. I am certainly honored to serve on this Conference committee, and I look forward to working with everyone to get this bill signed into law as quickly as possible.

The CHAIR. Thank you, Chairman Peters. Now we will hear from the Ranking Member of the Senate Homeland Security and Government Affairs Committee in the Senate, Senator Rob Portman.

**STATEMENT OF HON. ROB PORTMAN,
U.S. SENATOR FROM OHIO**

Senator PORTMAN. Thank you, Chair Cantwell. And thanks to you and Ranking Member Wicker for your leadership on the Conference. I hope we can get this done. I agree with Chairman Peters on the importance, as an example, of the semiconductor provisions here. If we don't do this, these companies are going to go somewhere else. And that is what they are telling us, and unfortunately it has been true over the years.

We are down to just 12 percent of the world's manufacturing of semiconductors and virtually none of the high end ones. I am also here to discuss some specific HSGAC provisions in USICA, specifically the Safeguarding American Innovation Act, which passed the Committee unanimously with the help of Chairman Peters and others and was part of USICA—it was voted on as part of the 68 votes we got for USICA.

It is a bipartisan compromise already with Senate Democrats and Republicans and the White House. We have got to remember

that the goal of this overall effort, of course, is to improve our country's competitiveness, especially with regard to China. To do that, we must not only invest in research and innovation, which I support, but we have got to protect that taxpayer funded research and intellectual property from being stolen by our competitors and used against us.

Given the current realities, without such protections, I believe many on this report with significantly increased levels of Federal funding for research would be a huge giveaway to Beijing. Recently, FBI Director Wray said, and I quote, "the biggest threat we face as a country from a counterintelligence perspective is from the People's Republic of China and especially the Chinese Communist Party. They are targeting our innovation, our trade secrets, our intellectual property on a scale that is unprecedented in history."

Senator Carper and I introduced the Safeguarding American Innovation Act and insisted it be included in the HSGAC title of USICA, after a yearlong PSI investigation that found how China has used so-called "talent programs" to target promising taxpayer funded research and researchers and obtain valuable U.S. intellectual property.

We found American taxpayers have been unwittingly funding the rise of China's military and economy over the past two decades, while the Federal Government has done very little or nothing to stop it. The legislation goes directly to the root of the problem and makes punishable by law to knowingly fail to disclose foreign funding on Federal grant applications.

It requires the Executive Branch to streamline and coordinate grant making between the Federal agencies so there is continuity, accountability, and coordination, it allows State Department to deny visas to foreign researchers coming to the United States to exploit the openness of our research enterprise, and requires research institutions and universities to do more, including telling State whether a foreign researcher will have access to export controlled technologies.

Again, a vital component of any competitiveness bill is this common sense extensively negotiated bipartisan bill, which is already included in the Homeland Security title of USICA. I urge this Conference to stand by that Senate approved language.

The CHAIR. Thank you. I think our Senate colleagues will now hear from our House colleagues, a mix of two committees, on these same policies, the House Homeland Security committee and the House committee on Oversight and Reform. I will turn to my colleague, Congresswoman Carolyn Maloney. Welcome.

STATEMENT OF CONGRESSWOMAN CAROLYN MALONEY

Senator MALONEY. It is very good to see my former classmate in Congress, Chairwoman Cantwell and Chairman Chairwoman Johnson, thank you for calling us here together. And it is my honor to serve as a conferee on this, representing the Oversight committee. We are in a fierce competition globally, and we simply cannot afford to lose this competition.

Across our country, Americans are hurting from rising prices caused by global supply chain disruptions and the unprovoked war of Putin's unprovoked war in Ukraine, and they are counting on us

to help. And to do that, we need to bring key parts of our supply chain home by manufacturing things domestically.

Certainly, we learned in the COVID crisis that we need to buy America, develop America. We need to bring this semiconductor business home. We have a historic opportunity by passing the USICA, the America COMPETES, the bipartisan Innovation Act. We have already seen progress under President Biden. When he took office, the economy was down 2.9 million jobs, the trade deficit had increased by 40 percent, and the national debt was more than \$1 trillion.

Thanks to the American Rescue Plan and the bipartisan infrastructure bill, we have created 8.4 million jobs so far. And he is on track, our country is on track to cut the deficit by \$1.5 trillion. The Innovation Act builds on these two advances along with the infrastructure bill. This step would strengthen our competitiveness. It will strengthen our supply chains, address inflation. This bill has key provisions to help American workers compete and win in the global economy.

This means rebuilding American manufacturing, defending American intellectual property from our adversaries, opening up more pathways to good paying, innovative jobs. The America COMPETES Act promotes scientific research and development, advances the U.S. semiconductor industry, expands Buy America requirements supporting U.S. supply chains, helps regulating the Federal procurement and use of artificial intelligence, and reauthorizing programs at NASA, National Science Foundation, and supporting domestic manufacturing, strengthening our overall economy.

I look forward to working with my colleagues toward these goals. Some of this legislation went through our committee. We have handed in a memo on specifics of that legislation, and I yield back.

The CHAIR. Now we will turn to Congressman Comer. Welcome.

STATEMENT OF CONGRESSMAN JAMES COMER

Mr. COMER. Thank you.

The CHAIR. And you are the Ranking Member of the Committee. Thank you very much.

Mr. COMER. Yes. Absolutely. Thank you, Senator Cantwell. I appreciate being a part of this important Conference and look forward to participating in a process that I hope will result in a strong product for our Nation and our citizens. Let's be clear, China is our enemy. The threat China poses to the United States should not be taken lightly.

It is real, and it is critical that we be prepared to meet everything that comes our way with a full arsenal of resources. That is why I voted against the House version earlier this year. Democrats said it would counter the influence of communist China. It did not. It even failed to hold China accountable for creating and then lying about COVID-19. The Democrats bill also included provisions unrelated to strengthening our hand against China.

In reality, the 2,900 page \$325 billion House spending bill put China first and America last. I do not understand how Members of Congress could, in good conscience, who voted yes on the House bill. That is why I am pleased we have this opportunity today to work toward a better product that puts America first.

Last, I also want to acknowledge the hard work by Senate Republicans. The Senate bill includes a few provisions that fall under the Oversight committee's jurisdiction, and my staff has had productive conversations with Senate Republican staff on how we could improve upon their very good work.

Hopefully, we can continue these productive conversations during this Conference process. I look forward to working with all of you. Thank you, and I yield back.

The CHAIR. Thank you, Ranking Member. I now want to turn to Congresswoman Val Demings. Welcome.

STATEMENT OF CONGRESSWOMAN VAL DEMINGS

Ms. DEMINGS. Good afternoon, and thank you, Senator Cantwell. I am honored to be here today on behalf of the Committee on Homeland Security under the leadership of Chairman Bennie Thompson. We are blessed to live in the greatest Nation on earth, and America's workers can compete, excel, and win in any fair competition, but we know that competition is not always fair.

And that is why we must step up, come together, to move our Nation forward in a powerful and bold way. We already know we will not always agree on everything, but I do believe we can agree on how to give America the best opportunity to excel through innovation and support of America's workers. We must invest in our economy, solidify our leadership on a global stage, and stand up to China.

I have full faith that together we can lower costs for American families, secure our supply chains, and ensure good pay and safe workplaces for American workers. As a member of the Homeland Security committee, this effort must continue to prioritize our National Security, cybersecurity and supply chain security. I am proud that my domestic solar manufacturing legislation is part of this critical economic initiative.

The solar industry is growing at the speed of light, but it is the China Communist Party—the Chinese Communist Party, reaping the rewards when it should be American families. The solar initiative will take on the Chinese Communist Party and their forced labor industry and will instead empower American workers like those in my home state of Florida, the Sunshine State.

There is a lot of good in both pieces of legislation and I look forward to coming together to get the good work that is possible done. Thank you, Chair Cantwell.

The CHAIR. Thank you. Thank you. We have been joined by Congresswoman Dina Titus. Are you ready to make your opening statement? Thank you.

STATEMENT OF CONGRESSWOMAN DINA TITUS

Ms. TITUS. Thank you, Madam Chairman. I want to thank Speaker Pelosi and Chairman Thompson for selecting me along with my colleagues, Congresswoman Demings and Congressman Guest, as conferees to offer input as representatives of the Homeland Security committee. I want to highlight several critical pieces that should be included in any final agreement reached with our Senate counterparts.

First, it is essential that we provide robust funding for our domestic semiconductor industry to ensure we become a competitive global leader in the chip production and technological advancements. While leaders at the Commerce Department are working hard on this issue, including through a cooperative agreement signed with our Malaysian allies just yesterday morning, we must do more to ensure we are not beholden to other countries for production of these essential products.

Chips touch every aspect of our daily lives, including automobiles, medical devices, cell phones, and they are critically important for my district in various aspects of gaming. We wouldn't have slot machines without chips, and those attract a lot of visitors to my district every year and a big part of the economy. I am optimistic we will be able to come to an agreement on the \$50.2 billion in the Chips for America Fund that is included in both pieces of the legislation.

Second, any final agreement must also include strong cyber protections for our supply chains. A major piece of the puzzle is ensuring that we have safeguards in place to procure equipment from trusted suppliers and hold our Government contractors to the highest cybersecurity standards.

In these efforts, we should do everything we can to engage with our educational and research institutions to bolster the cyber work force's incentives and training. This is the surest way we can make certain that we are ready for the threats of tomorrow. I look forward to working with you all to advance these priorities and develop a final bill that reasserts our position as a global leader in manufacturing, technology, research, and innovation. Thank you very much.

The CHAIR. Thank you, Congresswoman. We will turn now to Congressman Ro Khanna.

STATEMENT OF CONGRESSMAN RO KHANNA

Mr. KHANNA. Thank you, Senator Cantwell. I want to start by thanking Senator Schumer for his relentless leadership on this, as well as Senator Young and Senator Portman and others who made this truly bipartisan. For decades, we have made a mistake in this country of shipping our production offshore to China, to Mexico, millions of jobs lost.

We invented the semiconductor chip, and yet all of the semiconductor production went offshore. We never invented the automobile or jet engine, but we figured out how to do mass production and that is what made us a superpower. So we need to, as a bipartisan—on a bipartisan basis, get this bill to the President's desk so America produces again, so we can create jobs again in manufacturing.

And we need to, in this Conference, have the Level Playing Field Act as part of it. I mean, why would we want to have China dump goods when the whole point is to have manufacturing in America? We need to make sure that the Supply Chain Resiliency Act is part of it. We need to make sure that we are making the steel here, not China.

And we need to make sure that the trade adjustment assistance is part of it so that workers who have suffered because of the policy

mistakes of the last 40 years that shipped their jobs offshore, get a fair chance and get the opportunities that they deserve.

I am glad that finally there is a bipartisan consensus that manufacturing matters, that production matters, and I am really hopeful we can get this to the President's desk before Memorial Day.

The CHAIR. Thank you. I want to thank all our security colleagues from the House and Senate for participating. And I just want to assure you, starting at 10 a.m., until whatever time it is now, we have heard about chips all day, but it was good to hear from the security experts about their view of this, and appreciate all of you participating.

We will now turn to the Senate committee on Veterans Affairs and the House committee on Veterans Affairs. And I would first like to call on the Chairman of the Senate Veterans Affairs committee, Chairman Jon Tester.

**STATEMENT OF HON. JON TESTER,
U.S. SENATOR FROM MONTANA**

Senator TESTER. Thank you, Madam Chair. Good afternoon. We have an incredible opportunity in this Conference committee not to score Republican points or score Democratic points, but score points for America. We have an opportunity to create jobs, grow our economy, strengthen our supply chain, jumpstart the domestic semiconductor industry, and secure our Nation's future for our kids and our grandkids.

And we can do this if we work for America, not for the parties, and we don't let the perfect be the enemy of the good. We have competitors around the world that are trying to push us out of the way, namely China. China wants to replace us as the world's economic superpower, and they have worked to create unfair advantages in manufacturing, innovation, and in the marketplace. It is time to put that to an end. We need to fix our broken supply chain.

We need to make the crucial R&D investments necessary to bring back good paying jobs, and the next generation of jobs back to America. And this isn't just to urban America, is to rural America too. There is incredible potential in rural America—rural areas all across our country, and if we don't harvest that potential, we are going to make a huge mistake.

In the past year, both the House and Senate have each passed bipartisan legislation to do just that, protect America's vital economic interests in the face of growing threats, good paying—create good paying jobs, ensure our National Security, and promote fair competition on the world stage.

They will bolster our domestic semiconductor industry, invest in research, design, and manufacturing so that we can grow American businesses, develop new technology, and safeguard our National Security. Our job on this committee is to work together, work out our differences, keep an eye on the main goal, and that is making sure we keep pace as the main economic power in the world.

If we don't, we are simply handing the keys over to China. I look forward to working with my Democratic friends and my Republican friends on this Conference committee to negotiate a bill that gets that job done.

The CHAIR. Thank you. Thank you, Chairman Tester. Now we will turn to the Ranking Member of the Senate Veterans Affairs committee, my colleague, Senator Jerry Moran.

**STATEMENT OF HON. JERRY MORAN,
U.S. SENATOR FROM KANSAS**

Senator MORAN. Senator Cantwell—Chairman Cantwell, thank you very much. I am pleased to be here for this participation in this Conference committee. It has been a long time since we have had a Conference committee, and I am glad to be a part of one. And while I am the lead Republican on the Senate committee on Veterans Affairs, I also serve as a senior member of the Commerce, Science, and Transportation committee, the Committee you chair.

But perhaps importantly for this Conference, I am the lead Republican on the Senate Justice Science Appropriations subcommittee, which of the implementing agencies for the programs contained in this prospective legislation, including the Department of Commerce, NASA, and the National Science Foundation.

I am pleased we are starting the Conference process on our chamber's respective competition innovation bills. This committee is tasked with making certain our country is outcompeting adversarial nations, including China, which we can do by: authorizing necessary investments to remain at the forefront of technological research and development, appropriating funds to bring semiconductor manufacturing and the downstream semiconductor ecosystem back to the U.S., increasing the transparency and resiliency of our supply chains, and enlisting the intelligence and productivity of all Americans, including those of us in Middle America, via the EPSCoR program.

It is also important that we work to boost the entrepreneurs and STEM work force, as well as pass the NASA Authorization Act, which was included within the Senate legislation. Over the past several years, I have worked to ensure that NASA's missions have continued to progress forward without NASA authorization.

However, we—when you can present a bipartisan authorization, followed up with funding programs, it sends a strong signal to the agency, to the industry, and to our global partners that we remain committed in accomplishing our stated missions. This is especially critical as our adversaries continue to advance within the space domain.

Additionally, while the bills provide—the bills provide for immediate funding for the CHIPS Act and wireless development, the vast majority of programs include authorizations of discretionary appropriations. For these programs to have any effect, funding must be secured in a future appropriation bill. One of the most critical aspects of the Senate Competition bill was the bipartisan—and bipartisan nature in which this legislation came together.

In that spirit, I am pleased to work with all of you, my colleagues, and especially my colleague from Kansas, Representative Sharice Davids, as part of this Conference committee, and I look forward to working with all of you to see that we accomplish the goals that we have set forth outlined by many of the statements I have heard today. Thank you, Madam Chairman.

Senator TESTER. Next up, we have House Veterans Affairs committee member Congressman Bost. Congressman Bost.

STATEMENT OF CONGRESSMAN MICHAEL BOST

Mr. BOST. Thank you, Chairman Tester. And I appreciate the opportunity to speak about the Department of Veterans Affairs' role with this legislation today. VA spends about \$36 billion every year in contracts, much of which was for medical supplies, including personal protective equipment. Early in the pandemic, when the worldwide shortages hit, VA was unprepared, to say the least. The medical supply chain dried up. There were shortages and rationing of material.

First, China cutoff exports, and later VA and many private hospitals were completely reliant on China masks, gowns, gloves, and other critical items. China is our greatest geopolitical threat. That kind of reliance on Chinese supply chain undermines our Nation's security and our economy—economic security.

We should be caring for our veterans with materials that are made by domestic manufacturers. They employ hundreds of thousands of Americans, and they could employ even more. They are the leading—they are leading the way in American ingenuity. And I am glad to see that the VA included in some of this legislation's provision. For instance, it includes veterans in more STEM education programs. It also provides VA on the new Manufacturing and Individual Innovation Council.

I still have some concerns with other aspects of this bill, but these are the two good ideas, and I look forward to working with my colleagues on both sides of the aisle to improve this legislation. And with that, Mr. Chair, I yield back.

Senator TESTER. Next up, we have from the House Veterans Affairs committee, Congressman Pappas. Congressman Pappas.

STATEMENT OF CONGRESSMAN CHRIS PAPPAS

Mr. PAPPAS. Thank you very much, Chairman Tester. I am really glad to be able to join this Conference committee and to get to work in a bipartisan fashion on crucial legislation that is going to ensure that we make more of our goods here at home, that we lower costs for families, and that we outcompete any nation, including China. This work is of utmost importance to my constituents and my small businesses in New Hampshire. And during the development of the House bill, I submitted four amendments that were included, and I hope to have retained.

Among them is the Homeland Procurement Reform Act, which will support domestic manufacturing and our National Security by ensuring that the Department of Homeland Security procures as much protective gear as possible from U.S. manufacturers and small businesses.

In addition to this key provision, I hope to work across the aisle to retain the measures that would support rural businesses and help them access export markets, improve access and resiliency grants for our coastal communities, and expand the STEM work force.

And to help address our supply chain crisis, we must ensure that this final package makes significant investments in the domestic

production of semiconductor chips. Finally, as we consider the portions of this bill that will impact our veterans, I will work to ensure that this package addresses the supply chain issues that VA faced in recent years, particularly with regard to access to personal protective equipment and other crucial medical supplies.

Our VA facilities must never again be unprepared for a crisis like they were over the last 2 years, and this legislation must ensure they have the resources to care for our heroes. I am ready to work together, taking the best ideas from Republicans and Democrats, to make sure that we build consensus to get this done for the American people, because it is vital that we get this bill negotiated, we get it passed and signed into law, and secure America's global competitiveness in a way that bolsters domestic manufacturing, strengthens our work force, and supply chains.

So the future of our economy is at stake? Let's make this century another American century. Let's get to work, work through the differences, and get this done. I yield back.

Senator TESTER. Next, we have the Ranking Member from the Senate Judiciary committee, my good friend, Chuck Grassley. Senator Grassley.

**STATEMENT OF HON. CHUCK GRASSLEY,
U.S. SENATOR FROM IOWA**

Senator GRASSLEY. Thank you, Senator Tester. I am glad to be here to discuss this important legislative effort to counter China's threat to our economy and also to our National Security. First, I would like to emphasize that this is a China centered bill. It is not an immigration or climate bill.

Almost a year ago, USICA got 68 votes in the Senate because we recognized that simple fact of China's competition and threat. To pass, it has to stay that way. I note that the House bill authored uses the word coral more than China. It waters down language of genocide in the Xinjiang part of China. The final bill must be laser focused on countering the Chinese Communist Party. That doesn't mean adopting heavy handed industrial policies to rival those industrial policies of China.

We need to—very rigorous analysis to ensure objectives are met and taxpayer funds aren't wasted. In particular, the House bill includes a whole host of immigration provisions, many of which are partisan and, or completely unrelated to countering China. A number of the immigration provisions were amendments put forward by Democrat House members. These were then added to the House bill as part of a large amendment package. Then the bill passed on an almost entirely party line vote.

I share the concerns of many of my colleagues with the House bill's immigration provisions that were not in the Senate bill. As a result, I will oppose the inclusion of any of the House immigration provisions in the final bill produced by this Congress. We need—in order to pass, we need a bill focused squarely on China and not unrelated provisions. I yield.

Senator TESTER. Next, we have from House Judiciary, Congresswoman Scanlon. Congresswoman Scanlon

STATEMENT OF CONGRESSWOMAN MARY GAY SCANLON

Ms. SCANLON. Thank you, Senator Tester, for hosting this meeting of the COMPETES Act and USICA Conference committee. I am honored to be here among colleagues to do the important work of negotiating the final version of a bill which will make critical new investments in research, innovation, and American manufacturing. I am hopeful that the final product of our negotiations will ensure America's ability to outcompete any nation in the world now and for decades to come. I represent Pennsylvania's fifth District in the Southeastern corner of our Commonwealth.

Our district proudly hosts over 20 institutions of higher education, the Philadelphia Port and airport, as well as rail and interstate networks, and is a global hub for cutting edge biotech and medical research and development. Our region knows that America's economic dominance is dependent on our research institutions being at the forefront of their respective fields, our supply chains being strengthened to make more goods in America, and American manufacturing being accelerated to advance our global competitiveness while supporting strong labor standards.

I am proud to have two amendments included in the COMPETES Act. One would increase research capacity for STEM students. The other would expand eligibility for regional innovation hub programs, spurring research and workforce development initiatives across the country. I would also like to echo the comments of the Senator from Washington about the importance of keeping the provisions of the Safe Banking Act in the final version of this bill. As like Washington, the Commonwealth of Pennsylvania has also legalized the sale of marijuana for some purposes.

Additionally, I was glad to see important priorities from the Judiciary committee included in the final text of the COMPETES Act. These provisions include the Shop Safe Act, which would reduce the availability of harmful counterfeit products sold through online platforms. It includes visa protections to ensure that our country continues to attract talented doctoral STEM graduates and entrepreneurs from around the world. And it includes additional provisions to collect demographic information at the USPTO and modernize the filing fee structure for merger review at the Department of Justice.

Taken together, these priorities make critical improvements and investments to our economy, and I look forward to working with all of my colleagues to finalize the language that will be sent to the President's desk. Thank you.

The CHAIR. Thank you very much for your participation. We will now take a 10-minute break to reset for one of our last segments. Obviously, we will accommodate any of our colleagues who did not make it to this particular section on judiciary issues, and anybody else, a few people who may still come later today. But we will end with an Energy, Environment, Infrastructure, Agriculture, Armed Services, and Business. And that—we will reconvene at 1:25 p.m.
[Recess.]

The CHAIR. The Conference committee on Competition and Innovation legislation will come back into order. Our final speaking session, we will hear from members of the Senate Energy and Natural Resources committee and the House Natural Resources committee,

the Science committee on Environment and Public Works, and the House Transportation and Infrastructure committee.

I welcome all our colleagues. We will also hear from House Agriculture committee, House Armed Services committee, and the House Small Business committee, and Senate Small Business committee. So we will try to do these in specific segments. First, I would like to call on the Ranking Member of the Senate Energy and Natural Resources committee, my colleague, Senator John Barrasso.

**STATEMENT OF HON. JOHN BARRASSO,
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Well, thanks so much, Madam Chair. You know, this is—the gulf between the Senate and the House versions of this is really as wide as the Grand Canyon. The Senate’s version is bipartisan. The House version is partisan to the bone. The Senate authorizes \$210 billion in spending.

The House authorizes close to \$400 billion, almost twice as much. The House purports to improve competition with China. They claim that it reins in China’s theft of our national—of our Nation’s intellectual property and research. But the vast majority of the House’s version has nothing to do with these priorities. One provision provides cannabis businesses that legally operate in a State access to the banking system. How on earth does that have to do or what does it have to do with China?

The House even provides China with a competitive advantage over the United States. Unlike the Senate, the House does not ban Federal funding for colleges and universities that host Beijing’s Confucius Institutes. The House supports the United States implementation of the Paris Climate Agreement. It prioritizes climate change throughout our Nation’s diplomatic and military missions.

The House also spends billions of hard earned taxpayer dollars on climate change programs around the world, none of which will help us counter China. With inflation at 40 year highs, energy prices at an all-time high, and a war in Ukraine, Americans simply cannot afford another barrage of Democrat policies.

People, they have already weakened our economy and undermined our standing in the world. Thank you, Madam Chair.

The CHAIR. Thank you. I will now turn to the Chairman of the House Natural Resources committee, Congressman Raul Grijalva. Thank you so much for being here.

STATEMENT OF CONGRESSMAN RAÚL GRIJALVA

Mr. GRIJALVA. Thank you, Madam Chair, and for holding this meeting today. I would like to highlight the importance—

The CHAIR. Congressman, push your red button. There, thank you.

Mr. GRIJALVA. Well, thank you again, Madam Chair. I would like to highlight the importance of the Natural Resources committee division of the COMPETES Act and urge my colleagues to keep it intact through this whole Conference process. These divisions contain important bipartisan provisions to improve U.S. leadership and competitiveness globally, help us hold bad actors accountable, se-

cure America's long term economic security, and protect ocean and marine life.

The House passed COMPETES Act includes parts of subcommittee Chair Huffman and Congressman Graves Illegal Fishing and Forced Labor Prevention Act, which passed our committee by voice vote last year. As a top importer of seafood globally, we have a moral responsibility to ensure that the seafood we bring into this country does not come from slave labor or illegal practices.

The COMPETES Act bill addresses these issues and should remain. In addition, our provisions make critical investments in the expansion of clean energy development on public lands and waters and ends the ban on offshore wind leasing in the South Atlantic. Also, the bill creates the Office of Education Technology and the Bureau of Indian Education to make sure tribal students have high speed Internet access and technology to succeed in this day and age and compete in the competitive global market.

Our section contains provisions to address wildlife trafficking and disease threats from wildlife. We know the COVID-19 pandemic originated from wildlife trade. Therefore, we must make meaningful steps at home and abroad to ensure that another disease from the wildlife trade does not wreck the type of havoc that has wreaked upon this country through the COVID-19 pandemic.

The Natural Resources Division is essential to achieving the goal of better outcomes for workers, consumers, and the U.S. on a global scale. I urge my colleagues to support these provisions. I thank the Chair and yield back.

The CHAIR. Thank you, Congressman Grijalva. I think people probably think, well, wait a minute, what does food have to do with it? I guarantee you the seafood provisions of this bill had lively debate a year ago in the Senate Commerce committee, and so thank you for mentioning those provisions. I think Congresswoman Harrell is on her way. So for the time being, I will turn to my colleague, Senator Martin Heinrich.

**STATEMENT OF HON. MARTIN HEINRICH,
U.S. SENATOR FROM NEW MEXICO**

Mr. HEINRICH. Thank you, Madam Chair. Our Nation's scientific researchers, engineers, entrepreneurs, and manufacturing workers remain the most innovative on the planet, and that certainly won't be the case if we rest on our laurels. In my home state of New Mexico, our national labs, research universities, military installations, and private sector companies are poised to develop and commercialize a number of next generation technologies.

New Mexicans stand ready to lead the way in manufacturing more semiconductors and other advanced technologies developed in our national labs like quantum computing systems. I worked with my colleagues in the Senate to secure a \$17 billion investment in research and development at our national labs, to maintain our ability to develop and deploy these emerging technologies. And I was also proud to partner with my colleague, Senator Ben Ray Lujan, to secure a \$30 billion investment to modernize the infrastructure at our national labs.

In that spirit, I think it is critical that we are also investing in the infrastructure at our research universities, including minority

serving institutions, where we are training the next generation of American innovators. The bill that we advanced out of the Senate also included a \$52 billion investment to supercharge our domestic superconductor and microelectronic manufacturing capabilities.

By ramping up the production of the chips that have become key components in so many products, we will substantially lower costs for the American families on purchases from smartphones to cars and home appliances. Finally, I hope that we will include the language from the First Three Act, which would help to finance the development of new industrial technologies that dramatically reduce our energy use. I look forward to getting to work alongside all of you to advance American innovation and economic competitiveness. Thank you, Madam Chair.

The CHAIR. Thank you very much. Next, we will hear from Senator Mark Kelly. Welcome.

**STATEMENT OF HON. MARK KELLY,
U.S. SENATOR FROM ARIZONA**

Senator KELLY. Thank you, Madam Chair. So for more than a year now, my focus has been on securing critical funding to support our Nation's semiconductor manufacturing, research, and development capabilities, because these tiny microchips are in everything, and right now there is a global shortage. This means that consumer goods like cars, washing machines, your cell phone are just more expensive.

And it threatens our National Security, with production lines for advanced fighter jets and other weapon systems delayed or reliant now on microchips that are made overseas. That is why I began working more than a year ago with Senator Cornyn and Senator Warner to negotiate a \$52 billion deal to fund the CHIPS Act programs. This will help build new microchip production facilities here in the U.S., and many of those will be in Arizona. And it will help us ensure that the next generation of microchips are developed here in the United States.

Our deal was included in both the Senate and House bill, and it has received strong support from Republicans and Democrats and is supported by business groups, including the Chamber of Commerce and organized labor. And I am committed to ensuring that we get this over the finish line. But while we have been working to get this done, the chip shortage has gotten worse.

So I also hope that this Conference committee can go further to support microchip production. And I hope this package includes a 25 percent permanent investment tax credit to support semiconductor manufacturers and their suppliers who choose to invest in the United States. And I hope that it can include bipartisan legislation that I introduced with Senator Blackburn to authorize a new microchip R&D program at the Department of Energy.

And I hope it takes meaningful steps to ensure that we have a strong workforce which can support our growing domestic microchip industry now and into the future. Madam Chair, I believe we have no time to waste, and I look forward to working with my colleagues, Republicans and Democrats, in both the House and Senate to get this done. Thank you.

The CHAIR. Thank you, Senator Kelly. Now, Congressman McEachin.

STATEMENT OF CONGRESSMAN DONALD MCEACHIN

Mr. MCEACHIN. Thank you, Madam Chair. And thank you for allowing me to come before you today. I recognize my time today here is brief, but I would like to emphasize the importance of the Natural Resources Community's division of the COMPETES Act. I strongly urge my colleagues to keep it intact as we move through the Conference process.

The Natural Resources committee division of the COMPETES Act includes a suite of significant and bipartisan provisions that improve our Nation's global competitiveness, ensure a leadership role for the United States, put in place accountability measures for bad actors, protect ocean life, and strengthen the economic security of America. I would like to specifically highlight a few provisions.

The House passed COMPETES Act includes large parts of H.R. 3075, the Illegal Fishing and Forced Labor Prevention Act, introduced by subcommittee chair Jared Huffman and Congressman Garret Graves. This bill was favorably reported by the House Natural Resources committee on a voice vote in this Congress. The United States is the largest importer of seafood, and up to one-third of the annual global seafood catch is estimated to be the product of illegal, unreported, and unregulated fishing.

Our Nation has a responsibility to ensure that seafood we import is not the result of illegal practices or the product of slave labor. The House passed COMPETES Act addresses these issues, and they should remain. The National Resources committee division also includes provisions related to clean energy—on the development of clean energy on public lands and the leasing of offshore wind areas, and we look to decrease our reliance on foreign energy and to build domestic supply chains for clean energy.

These provisions must remain in place. Deep sea mining for rare earth elements is the next frontier, and we must take proactive steps to address and understand the uncertainties and environmental impacts, given the likelihood that other nations will engage in this space. There is a provision that directs studies on deep sea mining and carbon storage in the deep sea environment.

I will reiterate what Chairman Grijalva said, that the Natural Resources division of the House passed COMPETES Act is essential. These provisions will help us reach better outcomes for the American worker, the American consumer, and will increase American competitiveness.

I urge my colleagues to support these provisions. I see my time has lapsed, so thank you for allowing me to trespass on yours.

The CHAIR. Thank you. We will next hear from the Ranking Member of the Environment and Public Works committee, Senator Shelley Capito.

**STATEMENT OF HON. SHELLEY MOORE CAPITO,
U.S. SENATOR FROM WEST VIRGINIA**

Senator CAPITO. Thank you. Thank you, Madam Chair. And I am glad that we are holding today's initial meeting of conferees as we work to finalize legislation that will improve America's competitive-

ness in the face of growing challenges from China and other adversaries. In order to maintain America's position as the global economic and innovation leader, we must make the necessary investments to keep up with our competition and win the future.

That includes investing in research and development, science and technology, manufacturing, education, and preparing our workforce to meet the needs of tomorrow's economy. The Senate bill does just that by helping to bring chip manufacturing back to our country, which is critical, as most have mentioned in their statements.

Also, includes support for our Department of Energy labs, like the National Energy Technology Lab in Morgantown, West Virginia. And it makes sure that all parts of our country, including rural areas which receive research and education funding, like Marshall and West Virginia University, that is very impactful. I am one of 18 Republicans who voted to pass the Senate legislation last year.

Like any bipartisan legislation, the Senate bill is not perfect. But it was the result of compromise to reach our shared goal of legislating to improve America's competitiveness. The House bill is stocked full of left wing priorities and spending. For example, the House bill authorizes \$8 billion to the green climate fund, a fund that Congress has declined to provide funding for since Fiscal Year 2016.

The bill also authorizes \$2 billion per year indefinitely to address climate change internationally by paying other countries to transition to cleaner energy, explicitly requiring funds to facilitate the transition away from fossil fuel power and improve the availability of electric vehicles. It allows for these funds to be provided to international multilateral funds, such as the green climate fund, the world's largest multinational fund devoted to climate change.

This is not what this opportunity is all about. I want to see us reach an agreement on legislation to advance American technology and innovation. I will do everything to help see that we can get to a final Conference report that reflects the Senate's bipartisan balance if we are to have success here. I look forward to working with my colleagues. And thank you, Madam Chair.

The CHAIR. Thank you. Thank you, Senator Capito. Next is Congressman Rick Crawford.

STATEMENT OF CONGRESSMAN RICK CRAWFORD

Mr. CRAWFORD. Thank you, Chair Cantwell. I appreciate that. Like my colleagues here today, I am eager to get to work on this pivotal legislation. The United States is at a crossroads, facing true great power competition for the first time since the cold war, with an adversary willing to push all limits to gain the upper hand. It is imperative that we equip American industry to compete with China, and both chambers have presented ideas that work toward this goal.

However, in many ways, the legislation before the Conference has turned into a partisan catchall, littered with policies that are redundant, unproductive, and not germane. My colleagues and I on the House Transportation and Infrastructure committee are concerned about the \$4 billion authorization in the COMPETES Act for a new EDA pilot program. Not only is this ten times the EDA's

standard appropriations, it waives the cost share typically required, eliminating the skin in the game for recipients.

The authorized activities may be reasonable, but they are largely duplicative, and additional application requirements could add unnecessary burdens on recipients. Also being considered is the Ocean Shipping Reform Act. I am a co-sponsor of H.R. 4996, and I have supported the legislation three times in the House. I agree Congress must address the ongoing cargo backups and delays that are crippling the supply chain and the Federal Maritime Commission's Enforcement Authority.

However, adding policies that the House and Senate have addressed multiple times already slows down our ability to address China's rapidly growing influence around the world. Sooner or later Congress must address the U.S. businesses investing billions into China's technical sector—technology sector, the dependence of the pharmaceutical industry on China's precursor ingredients, and our subsidizing of chip production when much of the supply chain remains in China.

The United States remains the global leader across industries and continues to have an unmatched economy, military, and democracy, while China has proven time and time again that they are not a trustworthy partner. It is imperative that Congress take action today to bolster U.S. growth and competition and ensure China is not permitted to steal and cheat its way to the top. With that, I yield back. Thank you, Chair.

The CHAIR. Thank you. We will next hear from Congressman Malinowski.

STATEMENT OF CONGRESSMAN TOM MALINOWSKI

Mr. MALINOWSKI. Thank you, Madam Chair. Our Nation's competition with China will have significant and lasting implications for our economy, our National Security, and our standing in the world. And we have before us a bill that is going to put us in a very good position to win that competition. One thing we all agree on is that we need a bill that invests in microchip manufacturing.

And we agree because there is bipartisan agreement around a principle, that if there is a technology that is vital to our economic and National Security, then that technology should be made in America. But if we agree on that principle, then surely we would understand that the principle doesn't apply to solely one technology. We should be concerned, for example, that roughly 80 percent of our battery cell manufacturing capacity today is in China. It should concern us that 90 percent of the facilities making active pharmaceutical ingredients in our generic drugs are located overseas.

And certainly none of us want our front line nurses wearing trash bags again because we are waiting on PPE imports from other countries. The bipartisan supply chain provisions in the COMPETES Act will allow us to address these challenges. That is why more than 130 major American companies and industry associations, including the National Association of Manufacturing, are calling on us to move them forward, and I hope that we will.

I will say in my remaining time that I hope we will also address and include in the final bill some of the foreign policy provisions

in the House bill, in particular, a bipartisan provision that will enable people with high skills from Hong Kong, a territory that is being severely repressed right now by the Chinese Communist Party, to come to the United States.

Let us make China's loss, America's gain, and show the world and image that China's dictatorship does not want to see, the image of Hong Kongers who value freedom, putting—dedicating their lives and their resources and their talents to helping the United States of America. Thank you, and I yield back.

The CHAIR. Thank you very much. Before we close out the section, I would like to recognize Congresswoman Yvette Herrell. Ranking Member from—no, sorry. House—yes—House National Resources committee, member.

STATEMENT OF CONGRESSWOMAN YVETTE HERRELL

Ms. HERRELL. Thank you. Thank you, Madam Chairman. First of all, let me express my gratitude to my Republican colleagues on the House Natural Resources committee for choosing me to be their representative on this Conference committee. I hope to be a strong voice on this Conference committee for unleashing American resources and American ingenuity in the face of the ever growing threat we face from China.

The House's COMPETES is nothing short of a disaster. It is the opposite of competition. It punishes American industries while further empowering and emboldening China. From a Natural Resources' perspective, the bill does nothing to address China's stranglehold over the critical minerals supply chain, even when America has the ability and expertise to, not just compete, but to win.

If we refuse to take bold action to secure our mineral needs, we put our National Security at risk given their importance to our military capabilities and energy grid. The bill also does nothing to reduce our dependency on our adversaries for oil and gas. Gasoline prices hit an all-time high this week, and the Biden Administration announced just last night that they would cancel all offshore lease sales, cutting off access to American energy sources, sending damaging signals to the energy market, and threatening our future energy security.

Unfortunately, this policy choice comes as no surprise given the Biden Administration's constant assaults on American energy and mineral development. In a bill dealing with a foreign adversary, the House bill mentions climate change twice as often as the National Security. It mentions coal more often than it mentions—or coral more often than it mentions China. It includes much of the Democrats radical blue New Deal, heavy handed Federal Government knows best legislation that will make us more dependent on imported products rather than utilizing and conserving America's abundance of natural resources.

Also snuck into the bill are several amendments to the Lacey Act, which the Natural Resources committee never considered that threaten American jobs. These provisions give blanket authority to the U.S. Fish and Wildlife Service to determine the so-called "injurious species" without any requirement for public input, advance notice, or comment, dramatically expanding the Fish and Wildlife Services' authority to regulate movement of injurious wildlife with-

in the United States and makes wildlife importers guilty until proven innocent.

These provisions will be detrimental to the American industries, such as aquaculture, which are already highly regulated businesses. As a final gift to China's despotic regime, the bill also gives \$8 billion to the U.N. green climate fund, which has previously awarded \$100 million to China. Thank you, Madam Chairman, and I yield back.

The CHAIR. Thank you so much. I am going to turn to the Ranking Member of the House Armed Services committee, Congressman Norcross.

STATEMENT OF CONGRESSMAN DONALD NORCROSS

Mr. NORCROSS. Thank you. Title says it all, America COMPETES Act. As a member of the House Armed Services committee, so many reasons to focus on our competition well into next century, the pandemic, the supply chains. We need a secure industrial base to take care of our defense industry. \$52 billion for chips, semi-conductors, ensuring we can create arms like the ones that are supplying Ukraine this very day.

Ensuring that is incredibly important. It is the basis for National Security, for our allies, and for our partners. We need to remain competitive, so America's values of freedom and democracy endure. Competition may be global, but competitiveness starts right here at home. We need a trained, skilled work force. Lead, not just an education, but job training, making sure that labor protections are included.

Competition is about values. We need to make workers a value. Don't treat them like cogs in a machine. That is what China does. Our National Apprenticeship Act supports domestic work force, creates job opportunities to ensure our supply chain, industrial base has a strong labor pool. America is competitive because of our people. The technology, the manufacturing capacity, the defense industries, these things are built by workers.

My focus in this Conference is keeping the focus on the supply chain and its competitiveness. That means looking out for the workers who make that supply chain work. I thank you and I yield back the balance of my time.

The CHAIR. Thank you. I would like to ask Congressman Moore's discretion if our colleague, Senator Young, who has been here, but he is the author of this legislation in the Senate and has been carrying the load, if it would be OK if he preceded you.

Mr. MOORE. Only for Senator Young.

The CHAIR. OK, great.

STATEMENT OF HON. TODD YOUNG, U.S. SENATOR FROM INDIANA

Senator YOUNG. Well, I thank the Congressman, and I thank you, Chair Cantwell, for your leadership. When I first introduced the Endless Frontier Act in the spring of 2020, I didn't imagine it would take 2 years to be sitting here today, but I am pleased that this bill moved through regular order in the Senate with the Chair's hard work and my colleagues, having so many opportunities to express their views. They contributed ideas and we sanded

and polished this important piece of legislation, and that brings us to here.

As we begin the formal Conference process, let's remember this, throughout our Nation's recent history, Republicans and Democrats have worked together on critical National Security issues, issues that are bigger than whatever our domestic political divisions may be. And I believe this legislation is yet another moment where we must come together in a bipartisan fashion for the future of our country.

We have a National Security imperative to ensure that we don't fall behind the Chinese Communist Party in our technological innovation, which is historically a key driver of our Nation's economic growth and rise to power. American leadership in science and technology, especially the emerging technologies that will dominate the 21st century, is vital to both the future of the American economy and to our competitiveness with China.

This legislation will help us lay the foundation for the private sector to harness the innovation occurring around our country and will contribute toward the construction of fabs that will create the resilience necessary to compete globally, both economically and militarily. In the days ahead there no doubt will be disagreements, but we need to get this bill across the finish line, with a strong bipartisan vote and help ensure the United States is leading the world into the future.

As Lieutenant General H.R. McMaster said at an event on this bill yesterday, "we need to work together and get this darn thing done." H.R. McMaster is right, and I think the American people understand the importance of this moment as well. So I look forward to working with the members of this Conference committee to see this bill across the finish line. Thank you, Chair.

The CHAIR. Thank you so much. And again, thank you to you and Senator Schumer for your leadership on this issue. As you said, long time coming. Thank you, Congressman Moore, for your indulgence there. Appreciate it. Welcome. Look forward to your remarks.

STATEMENT OF CONGRESSMAN BLAKE MOORE

Mr. MOORE. Thanks, Madam Chair. I am honored to speak today on behalf of House Armed Services committee Republicans. The Chinese Communist Party is on a clear path to threaten our way of life, and whatever legislation we adopt must reflect that reality.

As drafted, these bills do not adequately address the military threat posed by the People's Republic of China. Nor do they clearly focus on building a competitive, whole of Government approach to counter the Chinese Communist Party. The House bill completely bypassed the House Armed Services committee despite containing a number of provisions in our jurisdiction.

Both bills make welcome investments in American research and manufacturing capacities, but those improvements must be bolstered by National Security safeguards and commitments to build capacity quickly. Some provisions, as was mentioned and discussed widely with regards to chips, these have noble goals, but others put climate change fluff and sense of Congress ahead of real action to isolate the CCP and build resilience in our allies and partners. The

previous Commander of U.S. Indo-Pacific Command, Admiral Davidson, put the Chinese threat plainly. He said, “I think the threat of China invading Taiwan is manifest during this decade, in fact, within the next six years.” Admiral Davidson gave that warning in March 2021.

My goal on behalf of Armed Services Republicans is to press hard on real action to protect American security and the American economy from the massive global shock that an attempted Chinese invasion of Taiwan could cause, and the long term impacts of China’s global market manipulation. Many of the world’s largest and most advanced semiconductor facilities could be under Chinese control in the next 5 years, and that point cannot be under stressed. This threat is not hypothetical.

Whatever provisions this Conference ultimately adopts should reflect the dire urgency shared by our military leaders, making lasting investments to protect American safety and prosperity. I will finish with my team is completely committed to making this the best possible bill, one that we can find bipartisan solutions and come with the real type of outcomes that are needed. Thank you.

The CHAIR. Thank you so much for that statement. Congresswoman Escobar, welcome.

STATEMENT OF CONGRESSWOMAN VERONICA ESCOBAR

Ms. ESCOBAR. Thank you, Chairwoman Cantwell. I am honored to be here on behalf of the House Armed Services committee and my community of El Paso, Texas, as a conferee for this historic piece of legislation. I would like to thank Chairman Smith and the subcommittee chairs for their leadership in helping craft many critical components of this bill.

As a conferee, I am committed to working with my Senate colleagues on delivering to the President’s desk a robust, bipartisan, and bicameral package that invests in research, strengthens supply chains, bolsters innovation and competitiveness, and most importantly, delivers for Americans by lowering costs and promoting our values at home and abroad. I want to stress to this Conference the urgent national and economic security implications attached to tackling semiconductor supply chain concerns through the CHIPS Act.

Earlier today, in an Armed Services posture hearing, U.S. Army Secretary Wormuth stressed this critical vulnerability in our supply chain, saying it is problematic and that we cannot allow ourselves to continue being dependent on our adversaries for equipment in our weapons systems. It is our job to urgently mitigate this risk and not only incentivize production, but the stockpile of chips.

Second, I am proud to have worked tirelessly to include several provisions critical to El Paso, one of our Nation’s most important trade corridors. I will work with the Committee to ensure it sees the significance of these provisions. Additionally, I urge my colleagues to retain other key House provisions that increase corporate accountability, promote diversity in the technology sector, ensure human rights protections for U.S. security cooperation abroad, and address the climate crisis, which is a real National Security threat.

As U.S. businesses, workers, and consumers continue to wrestle with the impact of global inflation, our work today is more important than ever. Global inflation will persist for some time, making life more challenging for Americans. Through this Conference, we can address real issues that Americans are grappling with every day while out competing our adversaries.

I look forward to working with all of you to finalize a package that will benefit our country for decades to come. Thank you, and I yield back.

The CHAIR. Thank you, Congresswoman. We will now hear from Congressman Fitzgerald. Welcome.

STATEMENT OF CONGRESSMAN SCOTT FITZGERALD

Mr. FITZGERALD. Good afternoon, Senator Cantwell, Congresswoman Johnson, and thank you for holding this meeting. I am pleased to represent the House Small Business committee on this Conference committee. Within our jurisdiction, the key provisions and programs under discussion of the Small Business Innovation Research and Small Business Technology Transfer, or SBIR and STTR programs.

These programs are set to expire at the end of this Fiscal Year. The mission of these programs is to support scientific excellence and technological innovation for small business. These programs are vital to the success of many small entities and have helped create thousands of new jobs by fostering innovation and stimulating the economy through new cutting edge research.

For the last 40 years, these programs have helped firms develop new technologies that have benefited the warfighter and helped Federal agencies meet their R&D needs. However, there are issues we must address before extending these programs long term. Most notably, the foreign influence, and much to our concern, the malign foreign intelligence. Recent DOD study revealed that China, not the United States, is the primary beneficiary of DOD and the U.S. Government research investments. It is shocking.

This is not only extremely troubling, but something we must address. China is exploiting our small business through shell companies, planted Government researchers, and State sponsored talent programs. Prior to reauthorizing this program, we must ensure the necessity and safeguards are in place to protect American small business and intellectual property. Our goal, I think, should be that this legislation would make us less dependent on China and not support them.

On the topic, I was pleased that my bill, a bill that we had been working on, the Foreign Merger Subsidy Disclosure Act, passed as an amendment to the America COMPETES Act. The Foreign Merger Subsidy Disclosure Act would require the FTC and DOJ anti-trust division to take foreign government subsidies into account in pre-merger notification processes.

This modest additional disclosure fills a gap in acquisitions from companies that may not rise National Security concerns that would trigger a review for the Committee on foreign investment in the United States. I look forward to working with my colleagues to combat foreign influence, protect small business, and reform these programs. I yield back.

The CHAIR. Thank you. Congressman Fitzgerald. We will now hear from Congresswoman Sharice Davids.

STATEMENT OF CONGRESSWOMAN SHARICE DAVIDS

Ms. DAVIDS. Thank you, Madam Chair. Over the past several months, I have spoken with dozens of Kansas business owners, workers, students and entrepreneurs about the impact of this legislation that we are talking about today. I have been on the factory floor with welders who make the railroads. They get goods from ship to shelf across our country.

I have seen firsthand how a Kansas battery manufacturer recycles their materials through the production process to reduce wastes and improve efficiency. I have met with union autoworkers who were off the line for several months last year because of the chip shortage that idled a GM plant in my district. I have been out in the community because I want to make sure that during this negotiation I am fighting for what our businesses and workers really need.

And from engineers to mechanics to microbreweries, I am hearing a lot of the same things, supply chain snags are squeezing businesses big and small. The pandemic caused a global disruption that is impacting prices for businesses and consumers. But I have to tell you, this is not new. The reality is we have been reliant on goods made in other countries for far too long. And Kansans are definitely paying the price for that.

When we focus on domestic manufacturing, it will not only bring back jobs and boost our economy, it is going to help lower costs across the board and reduce inflation. My priorities for this negotiation are to ensure that we are including small businesses when we upgrade our supply chains, that we are supporting innovative entrepreneurship and manufacturing, and that we are preparing a workforce to power us into the future.

Another thing I have learned from my conversations, we have the innovation, the grit, and the talent to compete with countries like China. I am ready to start betting on our team. I am looking forward to working with my colleagues to find some common ground here and get this thing done. Thank you, and I yield back.

The CHAIR. Thank you so much, Congresswoman. Now we will turn to Senator Raphael Warnock.

**STATEMENT OF HON. RAPHAEL WARNOCK,
U.S. SENATOR FROM GEORGIA**

Senator WARNOCK. Thank you so very much, Madam Chair. And I am very grateful that we are at this point. This historic—

The CHAIR. Senator, if you could yield. I am very glad we are at this point because you are the last Speaker.

Senator WARNOCK. I understand.

The CHAIR. Sorry for the interruption.

Senator WARNOCK. This historic bipartisan legislation will help lower costs for hardworking families, create jobs, and help us compete in the global economy. And we must get it done and over the finish line as soon as possible. This bill will start helping families right away by making new investments in supply chain resiliency

so that we can better monitor and prevent shortages and critical products.

Whether they are the chips that you find in almost every electronic product, or the materials we need to build homes, or the chips we need, quite frankly, for the KIA plant that is down in West Point, Georgia, that had to close a couple of times for lack of microchips. That is the reason I am laser focused on lowering costs and these programs are an important first step.

At the same time, this bill also invests in our future by increasing funding for STEM research and education, just as important as strengthening our ability to turn scientific breakthroughs into new businesses, businesses that are based in Georgia, creating new, good paying jobs.

And so I am working to ensure this bill uplifts families and communities across Georgia, from researchers at Savannah State University to startup founders in Atlanta, to young students in our rural communities all across our state who will make scientific discoveries that we cannot yet imagine.

And so I, too, am glad we are at this point, Madam Chair, and I am looking forward to working with everybody to craft strong bipartisan legislation that strengthens innovation, lowers costs, and supports families in every corner of our Nation.

The CHAIR. Thank you. Thank you, Senator Warnock. And I think it is very fitting—you know, we had to work very hard with the Administration on the SKLG issue in your state a year ago so that we could keep manufacturing moving, and now we want this bill to do the same on a grander scale. So very fitting that you are last Speaker.

I am going to enter into the record statements by Senator Toomey, Congressman Guest, Congressman Nadler, Congressman Tiffany, Congressman DeFazio, and Congresswoman Nydia Velázquez for the record.

[The statements referred to can be found in the Appendix.]

The CHAIR. We have had 94 people speak today. That concludes our Conference committee. I am very encouraged not only by the participation, but the amount of bipartisan overlap on issues that were brought up here today.

I think it is a very rare privilege to get to sit and listen to our colleagues on a variety of committees come together and have a common view about America's competitiveness.

So we think today is a good start for the Innovation and Competition Conference committee. We look forward to working with all of our colleagues. We are adjourned.

[Whereupon, at 2:06 p.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT FROM RANKING MEMBER PAT TOOMEY (R-PA.)

China is the greatest challenge to the United States and a rules-based order since the demise of the Soviet Union. The sheer size of the country and the depths of poverty from which they emerged means that even catching up to one-sixth of U.S. GDP per capita, where China stands today, has had an outsized impact on the world economy. But this growth has been in spite of their totalitarian regime and centrally planned system—not because of it.

American economic competitiveness has rarely, if ever, depended on government-directed industrial policy. In fact, the best approach for achieving economic growth, and a higher standard of living, has always been to unleash market competition.

The House bill is chock-full of bad ideas that put government at the center of a managed economy: \$8 billion for the United Nations' Green Climate Agreement, another \$10 billion for climate change efforts at the State Department, and \$45 billion for the Commerce Department to make loans to support manufacturing of any product Commerce deems important. This is compounded by onerous, outdated, and partisan labor provisions. What could possibly go wrong?

There are the concerning trade provisions in the House bill. The House bill unwisely toughens antidumping and countervailing duties law, which will increase red tape for importers and impose more and higher tariffs against U.S. businesses and consumers. These changes would impact trade with all countries—not just China. Let me remind my House colleagues: The goal of this legislation is to increase the competitiveness of American businesses—not to increase their costs.

This provision also eliminates longstanding duty-free treatment of certain small consumer shipments, which will only increase prices for American consumers who are already being plagued by nearly 40-year high inflation.

The House bill also creates a new interagency committee—"outbound CFIUS"—to screen outbound "covered transactions" from U.S. companies going to "countries of concern," most notably China. While I understand my colleagues have been working to narrow this provision, even revised language will grant the Federal government sweeping new authorities to dramatically disrupt and halt the free flow of investment, intellectual property, and trade in goods and services. Such a dramatic escalation in protectionism and expansion of the administrative state shouldn't be thrown into a package such as this. It should be carefully considered through regular order, by the committees of jurisdiction in both chambers, including the Senate Banking Committee, and by the full House and Senate.

And then there is the 301 tariff exclusion process. Last week, the Senate passed my motion to instruct this Committee to create an exclusion process for 301 tariffs harming American manufacturers. The tariff exclusion process was in place for 30 out of 31 months during the Trump administration, and 91 of my Senate colleagues voted for this language—originally authored by my colleagues Sens. Crapo and Wyden—when the Senate considered this legislation last spring. Yet the House stripped their bill of this critical provision.

American manufacturers must be able to effectively compete with everyone, including China. With a Section 301 tariff exclusion process, American manufacturers will be better positioned to obtain the materials they need for production. As this committee convenes in the coming weeks, I strongly urge my colleagues to follow the instructions passed by the Senate and prioritize the reestablishment of this exclusion process. Failure to allow this remedy will harm our own manufacturers and small businesses, disadvantaging these companies relative to foreign competitors at a time when we should be enabling their success.

Maintaining our technological superiority over China requires punishing bad Chinese behavior and emboldening the natural innovative entrepreneurship of America's market economy—not imitating Chinese central planning. I hope my colleagues will keep this in mind as we work to find an agreement.

PREPARED STATEMENT FROM REP. GUEST (MS-03)

Chairman Cantwell, Ranking Member Wicker, and Members of the Committee, thank you for this opportunity to provide input on H.R. 4521, the United States Innovation and Competition Act (USICA) of 2021, or the Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (COMPETES) Act of 2022.

China poses the greatest 50-year threat to our homeland. The Chinese Communist Party (CCP) will stop at nothing to achieve its geopolitical goals and gain economic advantage over American businesses and institutions. The CCP is launching cyber-attacks against our critical infrastructure, testing nuclear-capable hypersonic missiles, and committing gross human violations against its own citizens.

It is crucial that the United States produce semiconductors and other critical goods to tackle the current supply chain crisis we are facing. History has proven that American innovation can lead on a global scale, and we must act now to produce more domestic products. Therefore, Congress must take a strategic approach to counter the CCP's aggression and to bolster the resilience of American supply chains.

I am proud to represent the Committee on Homeland Security as the Conferee for this Conference. Specifically, the Committee on Homeland Security is focused on ensuring that unmanned aircraft systems (UAS) technology and equipment utilized by the Federal government for its critical missions are not manufactured in an adversarial foreign country like China.

I look forward to working with my colleagues in Congress to stop the CCP, defend our homeland from foreign influence, and strengthen the American economy.

PREPARED STATEMENT OF HON. JERROLD NADLER, CHAIRMAN,
HOUSE JUDICIARY COMMITTEE

Senator Cantwell, Chairwoman Johnson, and other distinguished members of the Conference Committee, thank you for convening this important meeting.

The COMPETES Act, as it passed the House of Representatives, represents a tremendous accomplishment on behalf of the American people. As a whole, it creates good-paying jobs, stimulates manufacturing, promotes innovation, and makes once-in-a-generation investments in science, research, and technology.

Working together in this Conference, I am certain that we can achieve the same goals and send a truly transformational bill to the President for his signature.

Within COMPETES, the House Judiciary Committee has advanced a small but critical set of proposals for your consideration.

First, the SHOP SAFE Act would incentivize online platforms to remove harmful counterfeit products from their websites—in terms far less onerous than those already imposed on brick-and-mortar stores. This effort, led by Representatives Johnson and Issa in the House and Senators Coons and Tillis in the Senate, is bipartisan, bicameral, and vitally important to American innovation. Together with the INFORM Act, SHOP SAFE will help us crack down on both intellectual property theft and retail theft, and provide significant protections to American consumers.

Second, a new temporary visa for immigrant entrepreneurs would create a pathway to citizenship for the founders of successful startups. This concept is based on Representative Lofgren's H.R. 4681, the Let Immigrants Kickstart Employment Act, and I thank her for her vision and leadership on this issue. Similar concepts have received bipartisan support in recent years, and I am hopeful that we can reach consensus on this proposal as well.

The House-passed COMPETES Act also includes relief for those with graduate degrees in critical industries. This proposal is a matter of national security, it is designed to draw the best and brightest to our country and to our economy, and it enjoys a broad measure of bipartisan support.

Third, our bill asks the U.S. Patent and Trademark Office to collect basic demographic information from patent applications if such information is volunteered. Our intellectual property laws are at their most effective when they are equally accessible to all citizens, and we must have the data to ensure that all innovators can take advantage of these incentives. This proposal is based on Representative Velazquez's H.R. 1723, the Inventor Diversity for Economic Advancement Act, or the IDEA Act, and I am proud to have seen it pass the House as part of COMPETES.

Fourth, we propose to modernize the filing fee structure for merger review at the U.S. Department of Justice. This provision is based on Representative Neguse's H.R. 3843, the Merger Filing Fee Modernization Act of 2021. This measure is essential to reinvigorating the Antitrust Division of the Department of Justice and the

Bureau of Competition at the Federal Trade Commission. I am pleased that identical proposals have passed in both the House and Senate versions of COMPETES.

Finally, I should note an objection to two research-related provisions of USICA. Specifically, sections 2527(b) and (c) would undermine an existing agreement about the public availability of federally funded research. Although I defer to other members of this Conference Committee on questions of scientific research, generally, these two sections present a serious copyright problem and should be stricken from our final text.

I look forward to advancing each of these important proposals in the coming days. I thank the Chair, and I yield back.

PREPARED STATEMENT OF REPRESENTATIVE TIFFANY

This Congress and the last have been marked by massive legislative vehicles marketed to address the pressing issue of the day, but often including radical changes to unrelated policy.

Somehow, the Democrats in this Congress have found a way to make this bill even worse. As the Republican Conferee for the House Judiciary Committee, I can tell you that very few of the provisions of this bill in the jurisdiction of our committee would have any effect at all on containing or combatting the malign influence of the Chinese Communist Party (CCP) or strengthening our relationship with Taiwan. In fact, many of the provisions included in the bill would make things worse.

At a time when our country needs strong security measures and protection against foreign theft of intellectual property, this bill makes unprecedented and unnecessary changes to immigration law. The bill creates expansive new opportunities for legal immigration for aliens of any country—including China—as long as they meet such vague requirements as having “the knowledge, skills or experience to substantially assist” a startup or if they have a degree in such fields as accounting or conservation.

The bill also expands the budget of the Federal Trade Commission (FTC). Giving more money and power to the Biden FTC will allow it to continue and expand its harassment of American businesses at a time of out-of-control inflation and hyper-regulation. The end result is that our competitors in China will be able to outpace American companies, creating more, not less, American reliance on China.

There are many provisions that have nothing to do with China at all. For example, the bill includes a provision to create a Special Immigrant Visa (SIV) for Afghan Fulbright Scholars.

There is another provision that creates a visa category for up to 15,000 nationals of South Korea. Yet another provision provides automatic citizenship for international adoptees, who were adopted before 2000—meaning adults who are at least 22 years old and many who are much older. That section would include people who have been deported or are in removal proceedings based on criminal convictions.

One section in the bill creates a program to collect demographic information from patent applicants. Another section creates a massive new regulatory burden on the importation of certain species. The Safe Banking Act is included in this massive bill as well. That provision would make it easier for marijuana businesses to engage in business transactions with legitimate businesses, even though marijuana continues to be a schedule I drug.

What does any of that have to do with China? Nothing. Like every other major piece of legislation from the Democrats this Congress, this bill purports to solve a serious problem, but is, in reality, a wish list of unrelated legislation that would never become law through regular order. The way this Congress has been legislating is shameful. I urge this Conference Committee to strip out all of these unrelated and, in many cases, truly harmful policies.

PREPARED STATEMENT OF CHAIR PETER A. DEFazio

Thank you, Chair Cantwell. As Chair of the Transportation and Infrastructure Committee I am pleased to be a part of this important conference meeting today—a rare thing nowadays.

It's clear that America now faces more competition than ever in the global economy. If we want to give the next generations the opportunity to get good-paying jobs we must make the right investments today in research, innovation, and manufacturing to ensure America can compete for decades to come.

Earlier this year the House took a step in the right direction by passing the America COMPETES Act, which included important initiatives from my committee that

I would like to see enacted. First it includes the Ocean Shipping Reform Act, bipartisan legislation to address unfair shipping practices and supply chain disruptions.

At no other time have we seen such an unprecedented demand for a resilient supply chain, and the current dynamic has highlighted the inefficiencies in our supply chain both domestically and abroad. Despite historic demand and profit levels, we have been made aware of instances of large ocean shipping conglomerates taking advantage of American exporters and importers. This legislation helps address the need for greater antitrust oversight of foreign-flag commercial carrier alliances that transport more than ninety eight percent of U.S. foreign commerce.

The House bill also includes a pilot version of Representative Kilmer's "Recompete Act", which would provide \$4 billion over ten years in new grants to help communities that have historically been left behind get ahead and stay ahead in the 21st century economy. These grants will invest in the economic infrastructure our communities depend on to help connect and support businesses and workers alike.

I'd also like to make a few comments on some of the trade-related provisions. The House COMPETES Act contains trade provisions that would improve U.S. economic resilience and promote a worker-centered trade policy.

But disturbingly, the Senate's bill contains trade provisions—added to the bill at the last minute—that would undermine U.S. manufacturing capacity and supply chain reliability in key sectors and weaken our competitiveness, in some cases to the direct benefit of China's economic interests.

For example, the House bill closes a big loophole that allows millions of packages bought online to enter the U.S. daily from China tariff free and without adequate safety inspection or seizure of banned Uyghur forced-labor goods. Meanwhile, the Senate bill contains no de minimus fix and instead contains a major giveaway to Big Tech which would empower them to undermine worker and consumer privacy protections and anti-monopoly initiatives.

The House bill also reauthorizes, strengthens, and expands Trade Adjustment Assistance in order to re-train workers and help communities that have been hit by decades of foreign unfair trade practices and race-to-the-bottom trade policies.

The Senate bill would allow this assistance to expire.

And finally, the House bill promotes greater supply chain resilience and less U.S. reliance on Chinese imports by requiring review of outbound investment related to offshoring of critical supply chains by U.S. firms.

Meanwhile, the Senate's bill excludes review of U.S. offshore investment for critical manufacturing capacity, but allows new duty-free access into the U.S. for Chinese PPE, medicines, and more.

I call on this conference committee to maintain the crucial trade provisions in the House bill and to reject the Senate's inadequate trade provisions, which would undermine workers and U.S. manufacturing, and increase U.S. overreliance on China.

It is long overdue for the United States to place itself on a path to compete at a global level in the modern era, and that includes creating long-term economic growth and quality jobs for the American people. Our constituents deserve nothing less and I will work to ensure any final agreement does just that.

Thank you Madam Chair.

PREPARED STATEMENT OF REP. NYDIA VELÁZQUEZ, CHAIRWOMAN, SMALL BUSINESS COMMITTEE

Thank you to all the Chairs and Ranking Members for convening this conference and for all your work on this vital bill.

I'm looking forward to working with my fellow conferees to advance a piece of legislation that allows America to remain the global leader in technological advancement.

We are all aware of the innovative prowess of domestic small businesses and I'm proud to be part of this process to work on their behalf.

While many policies in the larger bill will ultimately benefit and strengthen our small business community, it's critical that this legislation also preserves a role for them in the innovation economy.

The SBIR and STTR programs are crucial to achieving both of these goals.

Every year, these programs provide billions of dollars to small businesses pursuing scientific breakthroughs.

Over the past 40 years, SBIR and STTR have helped launch successful endeavors like iRobot, Sonicare electric toothbrush, 23&Me, Lasik eye surgery, and Qualcomm wireless communications. These programs are vital to our small business and technological ecosystems. But as it stands, the SBIR and STTR programs are set to expire this September.

A program lapse would hurt American small businesses and stifle innovation. Without an extension, agencies will be forced to stop taking applications and halt processing contract options or new awards.

To avoid this outcome, I've proposed an extension of the programs and their related pilots, which has broad support from business, university, defense, and economic development groups.

Doing so gives the Science, Space, and Technology and Small Business committees the time to thoroughly consider policy changes during reauthorization—a process we've already started.

Most importantly, it gives small firms operating on the cutting edge of technology the stability and certainty they need to pursue their innovations.

In sum, as we contemplate America's competitive future and leadership in innovation, I believe we have the opportunity to adopt meaningful policies to bolster the presence of small businesses in our global economy and domestic supply chains. I look forward to our work together.

Thank you and I yield back.



REMARKS

House Committee on Education and Labor
Chairman Robert C. "Bobby" Scott

Statement for the Record for Chairman Robert C. "Bobby" Scott (VA-03)
Bipartisan Innovation and Competitiveness Legislation Conference Committee
Thursday, May 12, 2022

Good afternoon, members of the Bipartisan Innovation and Competitiveness Legislation Conference Committee. Today's meeting is an important part of the process that will bring us one step closer to signing this bill into law.

In today's global economy, America's workers and employers are no longer just competing with their counterparts in a nearby town or a neighboring state. Every local economy across our nation is engaged in a competition with workers and businesses around the world. We have a responsibility to make sure America stays a step ahead by properly educating its future workers and strengthening our nation's workforce.

That is why I fight to ensure the *Bipartisan Innovation Act* connects students and workers with the skills they need to succeed in high-tech industries while strengthening our economy's competitiveness in the years ahead. Increased investments will help expand access to computer science education and postsecondary STEM pathways—particularly for those who have historically been left out of these fields. The House also strengthened this bill with an amendment to provide greater access to short-term pell grants that ensure we have more accurate data about higher education outcomes.

The legislation must also build on bipartisan support for apprenticeships by creating nearly 1 million new Registered Apprenticeship opportunities over the next five years.

And finally, this bill must include protections so that the jobs created by this bill will pay a decent wage.

Simply put, I am fighting for investments that will help us secure a brighter future for our nation's workers and our economy.

PREPARED STATEMENT OF REPRESENTATIVE JOAQUIN CASTRO

Chairwoman Cantwell, members of this conference Committee, I am looking forward to working with you to negotiate this important bill and get it to the President's desk.

There are a number of provisions in the bill that I believe are critical to ensuring American leadership and competitiveness.

I am proud to have authored a number of provisions in Division D of the COMPETES Act that would strengthen our leadership at the United Nations, counter the proliferation of nuclear and ballistic missile technology in the Middle East, ensure the United States engages with the countries of the Indian Ocean region as a part of our Indo-Pacific strategy, expand people-to-people ties between the United States and the countries of Southeast Asia, and tackle the censorship of Americans and American businesses by the People's Republic of China.

The bill also includes a critical bipartisan provision that would ensure that the United States Development Finance Corporation is able to make investments into equity in support of our Nation's international development objectives.

The COMPETES Act also includes my Strengthening Youth Apprenticeships Act, which along with the entire National Apprenticeship Act would create nearly one million new registered apprenticeships, ensuring that our workforce is ready for the future. Additionally, the bill also includes language I authored to establish that apprenticeships extend to the media and entertainment industry to help ensure that the industry reflects our diverse nation.

Lastly, I strongly support the language that provides funding for the CHIPS Act to address the semiconductor shortage by increasing U.S. manufacturing and will prioritize that issue on this Committee.

I want to thank Speaker Pelosi and Chairman Meeks for appointing me to this Conference Committee and look forward to getting to work on this important bill.

PREPARED STATEMENT OF CONGRESSMAN AMI BERA

Thank you to Chair Cantwell and Chairwoman Johnson for convening this first public conference committee meeting to reconcile two pieces of bipartisan innovation and competition legislation—USICA and America COMPETES. I am honored to have the opportunity to serve on this conference committee. This legislation presents a once in a generation opportunity to invest in America to ensure that the United States remains a leader on the global stage and that the American worker can compete and succeed in the 21st century global economy.

I come to this bill from my role on two critical committees that have come together to forge this important legislation. As a senior member of the House Science, Space, and Technology Committee, I believe the best way we can compete on a global stage is to invest in American workers and American ingenuity. Our greatest assets have long been our innovation, our ingenuity, and the American people. We have an opportunity with this bill to bet on American workers and invest in our Nation's innovation that will lay the foundation for U.S. leadership in science and technology for generations to come while supporting the growth of our STEM workforce and unleashing our potential to outcompete any other nation.

One critical piece that I strongly support in both bills is the robust funding for domestic semiconductor manufacturing and research and development (R&D) and supply chain resiliency. Semiconductors are part of everything from our phones to our cars and investing in domestic manufacturing and R&D of these key components will spur innovation and reduce costs for consumers. In addition, we have seen during the pandemic how small breakdowns in the global supply chain can impact our economy but also how investments in domestic manufacturing and R&D can lead to innovative technologies and save lives.

The pandemic has also shown that in times of need, Congress can come together and produce meaningful bipartisan legislation that invests in America such as the Bipartisan Infrastructure Package. While that bill focused on physical infrastructure, we have an opportunity here to invest in our human infrastructure—our research institutions and our workers. I am particularly proud about how the American COMPETES Act makes a robust investment in our Nation's research institutions and in particular, our public research universities. Our research institutions are part of what truly makes America great and in addition to the discoveries they produce, they are great drivers of innovation and our economy.

As Chairman of the House Foreign Affairs Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation, I believe we must establish lasting structures and programs to enhance American diplomatic, economic, and security engagement with our allies and partners in the Indo-Pacific. The Foreign Affairs Division of

America COMPETES includes several bills of mine that would do just that—The Countering China Economic Coercion Act, which would establish the first-ever inter-agency task force to respond to the People’s Republic of China’s growing economic coercion against government, businesses, organizations, and individuals; The Taiwan Peace and Stability Act, bipartisan legislation that strengthens U.S. support for Taiwan’s participation in the international community, advances U.S-Taiwan economic ties, and enhances deterrence over a cross-Strait conflict; The Taiwan Fellowship Act, bipartisan legislation that establishes a fellowship exchange program for U.S. Federal government employees in all three branches of government to learn, live, and work in Taiwan for a length of up to two years; The Honoring Our Commitment to Elevate America’s Neighbor Island and Allies (OCEANIA) Act, bipartisan and bicameral legislation that would elevate all of Oceania in U.S. foreign policymaking to help deliver a robust diplomatic and development commitment to support the long-term growth, governance, and resilience needs of the region; and an amendment calling for the full U.S. ratification of the United Nations Convention on the Law of the Sea (UNCLOS).

I look forward to working with my colleagues on this conference committee to resolve the differences between these two proposals in a timely manner so we can send a strong bipartisan bill to the President’s desk for his signature and get these provisions implemented as soon as possible.

