## TIMELINE: Senator Reverend Warnock's Leadership to Boost U.S. Semiconductor Production

TO SUPPORT GEORGIA MANUFACTURING JOBS

On the heels of the Kia plant in West Point, GA announcing a two-day work stoppage this week (on May 27 and 28) due to an insufficient supply of semiconductors in the U.S. Senate is considering the <u>U.S. Innovation</u> and <u>Competition Act</u>, expansive legislation that will make significant federal investments in the U.S.'s research and development (R&D) capacity to spur job growth in Georgia and nationwide through innovations in science and technology—keeping the nation economically and technologically competitive in the ever-changing global market. In particular, the United States is dangerously dependent on foreign suppliers of semiconductors, particularly from China, and the COVID-19 pandemic has further <u>strained the global supply chain</u>, leading to widespread delays and disruption of manufacturing.

Senator Warnock, a member of the Senate Commerce Committee who helped advance this legislation to the floor, has been a vocal champion of the legislation (formerly known as the *Endless Frontier Act*), and fought hard to include specific provisions in the bill that will support jobs at Georgia automakers like Kia and spur local job growth.

## <u>See below a quick snapshot of Senator Warnock's efforts to include provisions in the legislation that would help support and grow Georgia jobs through investments in research and development:</u>

- During an April 14 Commerce committee hearing, Senator Warnock raised the issue of the lack of U.S. semiconductor production and R&D and its impact on Georgia companies like Kia, and questioned the hearing witnesses about the importance of investing in semiconductor R&D to help keep U.S. manufacturers competitive and keep local workers on the job:
  - o "I think it's pretty clear that we're not investing nearly enough in our country's federal research and development. And as a result, we're seeing the impact of that. Certainly, I'm seeing it in the state of Georgia. West Point, Georgia is home of Kia Motors are the only manufacturing facility for the country is the factory that runs 24 hours a day. It employs more than 2,700 people, and it produces 340,000 vehicles per year. Yet last week, the Kia factory almost had to suspend production for two days due to the global semiconductor shortage. The Endless Frontier Act would increase research into semiconductor design and fabrication, as well as protect America's supply chains, which is also a national security issue. So for America to remain competitive, we have to build public-private partnerships. And we have to invest in research and development." [Senator Warnock, Senate Commerce committee hearing, 04/14/21]
  - WATCH VIDEO of Senator Warnock's exchange <u>HERE</u>
- During a May 12 Senate Committee hearing to debate and vote to advance the innovation & competition bill, Senator Warnock worked with the committee leadership to successfully include two provisions in the legislation to prioritize addressing gaps in the domestic semiconductor supply chain:
  - A provision mandating a report from the Government Accountability Office (GAO) on the U.S. semiconductor shortage and its impact on domestic manufacturing, to identify gaps in the supply chain, and

- A bipartisan provision making sure semiconductors are prioritized as an essential good that the Supply Chain Resiliency Program—a new program created by the bill to address supply chain issues—must track to prevent future shortages.
  - FOR MORE INFORMATION: Senator Reverend Warnock cements key provisions in Bipartisan Bill to accelerate job growth in Georgia [The Atlanta Voice, 05/16/21]
- Additionally, Senator Warnock co-sponsored an amendment to address the specific impact of the U.S. semiconductor shortage on automakers like Kia, and at the same May 12 hearing successfully worked with his colleagues to include the provision in the legislation.
  - o "...I think that there's an urgency here that (Senator Peters') amendment addresses with respect, certainly to the auto-industry, but its impact on the manufacturing sector in general. We've seen this up close in the state of Georgia, our Kia plant there almost had to pause production, recently, because of a lack of semiconductors. So, I think (Senator Peters') amendment speaks to this urgency... there's no question about the impact of the auto industry on our manufacturing sector in general..." [Senator Warnock, Senate Commerce committee hearing, 05/12/21]
  - WATCH VIDEO of Senator Warnock's remarks <u>HERE</u>
  - "The current semiconductor chip shortage is having a negative impact on auto production in the United States. Automakers are being forced to reduce output or suspend production. Kia Georgia impacts the livelihood of the hard-working Georgians who work there, and therefore we applaud Senator Warnock for his efforts to find solutions that will benefit Georgia and our industry." [Christopher Wenk, Vice President of Government Affairs, Kia Corporation, Warnock Press Release, 05/14/21]
- Senator Warnock voted to advance the bipartisan bill out of the Commerce committee, and has been a vocal champion for swiftly passing the legislation, re-titled the *U.S. Innovation & Competition Act*, on the Senate floor to address the U.S. semiconductor shortage.
  - o In addition to the semiconductor-specific provisions Senator Warnock fought to include in the bill, the legislation also includes a \$52 billion investment in U.S. semiconductor production through the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America program.
- On May 21, Senator Warnock joined with his fellow Georgia Senator Jon Ossoff (D) in a letter to Senate leadership advocating for swift passage of the *U.S. Innovation & Competition Act* to boost American semiconductor manufacturing through the CHIPS program and the provisions championed by Senator Warnock, specifically evoking the issues at the Kia plant in West Point:
  - "American dependence on foreign suppliers of semiconductors is a strategic vulnerability for both our national and economic security, and ongoing shortages of this vital technology are directly harming workers and businesses in Georgia by disrupting operations of the Kia plant in West Point." [Warnock-Ossoff letter, 05/21/21]
  - "We must act swiftly and in a bipartisan manner to pass this legislation, which will boost American manufacturing of semiconductors and safeguard auto manufacturers like Kia Georgia against disruptions to the global supply chain. We urge that the Senate take immediate action." [Warnock-Ossoff letter, 05/21/21]

• Moving forward, Senator Warnock is also in the early stages of working with his colleagues to further strengthen federal funding for domestic semiconductor production through the appropriations process.

Senator Warnock has been a key figure in advancing this important legislation that will help grow jobs in Georgia and across the nation by investing in the research and innovation that will in turn create jobs and bolster our competitiveness.

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