



Press Release

“CHIPS” Feeds Spending Spree

PAULINA ENCK | MAY 4, 2022

The COVID-19 pandemic and its fallout created a worldwide shortage of semiconductors. To remedy this, in June 2020 Congress proposed a \$16 billion subsidy for the semiconductor industry. As a new infographic from AAF’s Tori Smith and Tom Lee illustrates, Congress has since proposed several additional CHIPS-inclusive subsidy packages, now pitched as part of a broader effort to compete with China. The latest iterations of such legislation – the [United States Innovation and Competition Act of 2021](#) and the [America COMPETES Act of 2022](#) – have morphed into \$250-\$400 billion catchall bills covering everything from seafood imports to climate funding. In the meantime, the cost of “fixing” the temporary semiconductor shortage has more than tripled—even as the shortage is slowly resolving itself.

[See the infographic](#)