



Press Release

Industrial Policy: America COMPETES Act and USICA

PAULINA ENCK | FEBRUARY 1, 2022

Congress is considering two versions of omnibus bills aimed at boosting US competition with China via industrial policy. In a new insight, Data and Policy Analyst Tom Lee reviews the key provisions of the two bills—the House-introduced America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (America COMPETES) Act, and the Senate-passed United States Innovation and Competition Act (USICA)—and highlights the inefficient federal interventions they share.

Key points:

- While the bills' language differs, the central component in each is the Creating Helpful Incentives to Produce Semiconductors Act (CHIPS), a \$52 billion subsidy program for private firms that build semiconductor production facilities in the United States.
- These bills demonstrate that there is bipartisan support for federal engagement in industrial policy to counter the growing economic influence of China.
- The risk, however, is that inefficient interventions in industrial policy will provide little to no economic benefit and could waste billions of taxpayer dollars.

[Read the analysis](#)