

THE NEW ENGLAND COUNCIL

April 27, 2022

The Honorable Richard E. Neal
U.S. House of Representatives
372 Cannon House Office Building
Washington, DC 20515

Dear Representative Neal,

The New England Council is grateful to our leaders in Congress for your leadership in passing comprehensive legislation aimed at increasing U.S. competitiveness and innovation in the form of the House of Representatives' America COMPETES Act and the Senate's U.S. Innovation and Competitiveness Act (USICA). Both pieces of legislation represent a commitment to ensuring that companies in the U.S. have the tools and resources needed to compete, and indeed, lead in the global innovation economy. As the Conference Committee on which you have been named to serve works in the coming weeks to reconcile differences between the House and Senate bills, we wanted to take this opportunity to highlight for you some of the top priorities of our members.

As you know, The New England Council is the nation's oldest regional business association and it is our mission to identify and advocate for federal policy that supports economic growth in our region. We are proud of New England's well-earned reputation as a global innovation hub, and believe firmly that the legislation currently before the Conference Committee will help ensure our region's continued growth and leadership on the global stage. We have reviewed the legislation at hand with our members across an array of industries and would like to share with you the following areas of top concern.

Support for semiconductor manufacturing and supply chains – Semiconductor chips are key to maintaining America's technological edge, yet constantly increasing demand has resulted in a global shortage. This has been exacerbated over the past two years by the COVID-19 pandemic. New England is home to a number of semiconductor manufacturers, and a wide array of innovative businesses whose products depend upon those chips. As such, we support provisions in the America COMPETES Act and USICA aimed and bolstering this critical industry. Specifically:

- *Funding for the CHIPS for America Act* – We strongly support the \$52 billion in federal investments to support domestic semiconductor research, design, and manufacturing, and believe that such an investment will help alleviate some of the challenges we are currently seeing. In particular, we believe that establishing a National Semiconductor Technology Center (NSTC) and Advanced Packaging Manufacturing Program will spur new public-private partnerships that will ensure continued U.S. leadership in the semiconductor industry.
- *Inclusion of the FABS Act* – We also support the inclusion of the Facilitating American-Built Semiconductors (FABS) Act in the final legislation. The FABS Act language would provide tax incentives to support the construction, expansion, and modernization of semiconductor

The New England Council

98 North Washington Street, Suite 303 • Boston, Massachusetts 02114 • (617) 723-4009
1411 K Street, NW, Suite 700 • Washington, DC 20005 • (202) 547-0048
www.newenglandcouncil.com

manufacturing facilities in the United States, thus making the domestic industry more competitive and encouraging more investment within the U.S.

Investments in scientific research and development – Scientific research and development are key to continued innovation in New England and beyond, and our region is home to some of the world’s premier research facilities, many of whom are consistently among the top grant recipients for federal research funding. As such, we support the inclusion of provisions that will increase federal funding for the National Science Foundation, the Department of Energy, and the National Institute of Standards and Technology toward research and development for key technologies and related infrastructure. Furthermore, we support the establishment of a new Technology and Innovation Directorate at the NSF to support research and development in such critical fields as artificial intelligence and quantum science.

Developing a talent pipeline for the innovation economy – We know that the only way for our region’s innovation economy to continue to grow and compete globally is to ensure that there is a strong talent pipeline of highly-skilled individuals prepared to fill the jobs of the future. At the same time, we know that it is critical that we continue to strive for more diversity and equity within our workforce. As such, we encourage you to include provisions that would support the development of a strong, diverse talent pipeline, including:

- *National Science Foundation for Future Act* – We support the inclusion of this provision aimed at supporting the next generation of diverse STEM teachers, researchers, scientists, and other professionals by scaling up effective K-12 STEM education initiatives, better aligning undergraduate STEM education with workforce needs, and expanding requirements for funding proposals to include a mentoring plan for graduate students.
- *Postsecondary STEM Pathways* – We support the inclusion of provisions aimed at expanding access to postsecondary STEM pathways, such as dual enrollment and early college high school programs. Such programs allow high school students to earn college credits, better preparing them to pursue STEM career training at the postsecondary level.
- *Attracting and Retaining International Talent* – We also support the inclusion of provisions that would exempt STEM doctoral students from employment-based visa limits. We believe that such an exemption is key to attracting the best scientific talent from around the globe.
- *Support for Community College and Non-Degree Programs* – Many of the new jobs that are being created by our region’s innovation economy do not necessarily require a four-year degree, but offer opportunities for quality, high wage employment. As such, we encourage you to be mindful of opportunities to support and promote our region’s community colleges and other non-degree training and certification programs that will prepare workers for these opportunities.

Enabling 5G deployment – Reliable high speed internet access is critical to every sector of our economy, and the ongoing deployment of 5G networks will surely continue to drive innovation and expand economic opportunities in New England and beyond. As such, we support the inclusion of \$1.5 billion in funding to support open and interoperable interface radio access networks, which will enable more secure deployment of 5G.

Inclusion of Ocean Shipping Reform Act Provisions – Council members in various industries have indicated that they are struggling with supply chain and logistics challenges, particularly as it relates to availability of cargo containers to transport products, resulting in a backlog in exports. To remedy this situation, we support the inclusion of Ocean Shipping Reform Act provisions that would prohibit ocean

The New England Council

98 North Washington Street, Suite 303 • Boston, Massachusetts 02114 • (617) 723-4009

1411 K Street, NW, Suite 700 • Washington, DC 20005 • (202) 547-0048

www.newenglandcouncil.com

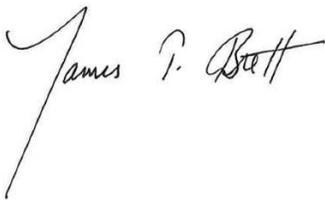
carriers from unreasonably declining opportunities to ship U.S. exports in favor of sending empty shipping containers back to the Asia-Pacific region.

We believe that including these provisions in any final legislation would benefit our region tremendously, and would appreciate your support for their inclusion.

We did, however, want to make you aware of some concern about the **outbound investment provisions** in the legislation, and would encourage conferees to avoid provisions that could have a counterproductive impact on the competitiveness of U.S. companies, including provisions related to outbound investment screening.

Thank you in advance for your consideration of these priorities as you and your fellow conferees work to reconcile these bills in the weeks ahead. If you have any questions, please feel free to contact Emily Heisig, Senior Vice President of Federal Affairs at Eheisig@newenglandcouncil.com or 617-365-2647.

Sincerely,

A handwritten signature in black ink that reads "James T. Brett". The signature is written in a cursive style with a large, sweeping initial "J".

James T. Brett
President & CEO

The New England Council

98 North Washington Street, Suite 303 • Boston, Massachusetts 02114 • (617) 723-4009
1411 K Street, NW, Suite 700 • Washington, DC 20005 • (202) 547-0048
www.newenglandcouncil.com