



The Bottom Line

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AMERICA COMPETES ACT

Summary

The America COMPETES Act of 2022 is a sweeping piece of legislation moving through Congress that would invest billions of dollars in American manufacturing and scientific research to counter China's growing economic influence.

Background

The America COMPETES Act of 2022 has its origins in the Make It In America plan, launched in 2010 by Representative Steny Hoyer (D-MD).

The Make it in America plan declared that "one of the best ways to innovate, prosper, and create good-paying jobs is to make more in America." Following the election of President Biden, Congress passed the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act) of 2021. This legislation aims to rebuild America's roads, bridges, and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, tackle the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. In addition, the legislation will help ease inflationary pressures and strengthen supply chains by making long-overdue improvements for our nation's ports, airports, rail, and roads.

Trade Subcommittee Chairman Earl Blumenauer, D-Ore., said that the America COMPETES Act is the culmination of more than a year of work among businesses, labor, and committee members. Blumenauer said, "We must confront China head-on," and said the trade title does just that.

Current Status

Both the Senate and the House have passed versions of this bill.

Congress is currently debating a compromise version. Included in the legislation:

- \$52 billion over five years to boost semiconductor research, design, and manufacturing
- Changes to US trade rules, aiming to combat China's market-distorting trade practices.
- Renewal of the Trade Adjustment Assistance program that provides aid to American workers who lose their jobs or wages due to increased imports.
- A reauthorization of the Generalized System of Preferences, a tariff program that eliminates duties on thousands of products from the world's poorest countries -- but the bill adds new eligibility criteria concerning the environment, labor standards, and human rights.
- New rules to strengthen US anti-dumping and countervailing duty in a way that targets China's Belt and Road Initiative -- a massive

infrastructure plan that spans many different countries and aims to connect China's economy with other parts of the world.

- Power to the Office of the US Trade Representative to review and potentially block US companies from moving manufacturing abroad if the product is critical to the nation's supply chain or a threat to national security.
- Tightened eligibility rules for the existing de minimis threshold to exclude imports from countries that are both non-market economies and on the US Trade Representative's Priority Watch List for violations of intellectual property standards.
- A new initiative within the Department of Commerce to help promote the resiliency of the nation's supply chains.
- \$3 billion for the nation's solar manufacturing supply chain, aiming to reduce the country's reliance on China for parts.
- A \$10.5 billion pilot program awards grants to states to expand or maintain a strategic stockpile of certain drugs, medical equipment, and personal protective equipment.
- Billions of dollars for research and innovation.

Impact

President Biden has hailed the legislation as "the sort of transformational investments in our industrial base and research and development that helped power the United States to lead the global economy in the 20th century and expand opportunity for middle-class families." The America COMPETES Act intends to create opportunities for American workers to access in-demand skills, train for the most competitive jobs in the twenty-first-century economy, and help researchers and innovators become entrepreneurs and job-creators. This legislation will help maintain and secure our lead in the race to lead the clean-energy economy. Moreover, it will strengthen our national security by shoring up our supply chains and ensuring that we can build in America the semiconductors and microchips that our industries need to lead the world in advanced manufacturing.

RESOURCES

[America Competes Act of 2022](#) (U.S. House of Representatives)

[The America COMPETES Act Will Help Businesses and Workers Make it in America](#) (The Hill.com)

[What's in the House's China Competition Bill](#) (CNN)

[Statement by President Biden on the America COMPETES Act of 2022](#) (The White House)

[President Biden's Bipartisan Infrastructure Law](#) (The White House)