



U.S. SENATE COMMITTEE ON
COMMERCE, SCIENCE, & TRANSPORTATION

Senator Maria Cantwell

**U.S. Committee on Commerce, Science, and Transportation
Hearing: Department of Commerce Fiscal Year 2023 Budget Priorities
Witness: Secretary Raimondo**

April 27, 2022

Question and Answer

VIDEO

CANTWELL: Let's start with NOAA. I was pleased that the Department of Commerce executed funding for the Pacific Coastal Salmon Recovery Fund and the National Ocean and Coastal Security Resiliency Fund. These are important aspects of our bipartisan efforts.

I am concerned that the department, or NOAA may not be taking an active leadership role in culvert removal. One of the big issues that we've seen across the United States is infrastructure that has created blocking for fish passage.

So will you work with the Department of Transportation and NOAA science to get more aggressive on this program?

RAIMONDO: Yes, with DOT and also Interior. Yes.

CANTWELL: Thank you. Well, I can give you examples across the United States have the same problem. I'm very well aware of them in the in the northwest. But the bottom line is our transportation infrastructure has blocked fish passage, and we need to correct that issue. So thank you.

CANTWELL: You mentioned the chip shortage. I wondered if you could talk about, given Russia's attack on Ukraine and disruptions of the pandemic and vulnerabilities of the US supply chain, what is it that we need to do to make sure that we get ahead of this from a supply chain perspective on chips, and what we need to do to also get the workforce to be ready to catapult? Our information is that the shortage that we experienced today is only going to double or triple if we don't get more in manufacturing. But we're also trying to understand why catching up as soon as possible is critically important. So if you could comment on that.

RAIMONDO: Yeah. So the budget, the President's budget, calls for an increase for supply chains, which will enable us to meet the immediate crisis caused by Ukraine, caused by COVID. But that isn't nearly enough, that's treading water. Barely.

Right now, in the Commerce Department, I have 40 different work streams on supply chains going. We have a handful of people doing it. Other countries have 5 or 10 times as many people doing supply chain work.

What we really need is what USICA provides for, which is an ongoing, robust supply chain management infrastructure in the federal government. So we can do constant continuous mapping and monitoring, data analytics, stakeholder engagement, predicting bottlenecks. The reason we're in this mess is because we haven't been doing that.

And with respect to chips, I don't think it's an exaggeration to say this is a national emergency, it is threatening our national security, as well as our economic security.

We did an RFI. Over 150 semiconductor supply chain companies responded. They're operating at their max capacity. The average consuming industry has fewer than 5 days of inventory. I hear it every day -- medical equipment manufacturers, military -- I've been talking to all the defense contractors. They're bottlenecked. The rate limiting factor is chips. So I don't know how else to say it. We need to invest this money to increase domestic production of chips and use some of the money, as you said, to invest in our workforce. We don't have the workforce now. We need the workforce developed. And by the way, we need it all over the country, which is why I think the tech hubs are just as important.

CANTWELL: And well, we definitely agree on the tech hubs.

I want to make sure, though, that that we understand this timing issue. I think, you know, as manufacturers... and the shortages become clear to everybody around the globe. Other people are moving faster than we are. The faster they move, the more the money follows. And so I really am worried even [about] investments that people have announced -- that, you know, they're going to build say in Ohio. So I just hope that people realize that the longer we wait, the longer we don't send that signal, the more that that initial investment may not go to Ohio, it may go over to Germany or someplace else. And so I'm just trying to get people to understand why this signal is so important.

RAIMONDO: Thank you for putting a fine point on it. You're exactly right. So as you say Germany, Singapore, Spain, France, obviously China, are all right now, right now, wooing Intel, Micron, Texas Instruments, all of our companies to set up facilities in their countries.

I have spoken with all of these CEOs. They would they want to operate in America, but they cannot wait. Because demand for chips is up 20% where it was a couple of years ago. They are going to build. And if we don't act quickly with USICA they'll build elsewhere. If we do act quickly, they'll build here, and as you say, go from a \$20 billion investment to \$100 billion investment in Ohio.

CANTWELL: Thank you.