

Committee on Energy and Commerce
Opening Statement as prepared for delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

***Innovation, Data, and Commerce Subcommittee Hearing on “The Fiscal Year 2025
Department of Commerce Budget”***

June 26, 2024

I’d like to welcome Secretary Raimondo back to the Committee and commend her on her tremendous leadership in growing the American economy for the future and implementing the historic CHIPS and Science Act. This law was enacted last Congress by President Biden and a Democratic Congress to bolster our economy, lower costs for consumers, create good-paying American jobs, and end our dangerous dependence on foreign manufacturers of critical goods.

The CHIPS and Science Act strengthens American manufacturing, supply chains, and national security by investing in research and development, science and technology, and the workforce of the future.

Congress allocated \$52.7 billion to the Department of Commerce to spur American semiconductor research, development, and fabrication in the United States. For almost two years now, Commerce has been busy implementing this law. To date, Commerce has announced more than \$29 billion in grant awards and more than \$25 billion in loans and loan guarantees to 19 projects in 12 states. These projects are projected to catalyze \$348 billion of total investment and create more than 100,000 good-paying manufacturing construction jobs. This is what success looks like.

This surge of investment in American semiconductor research and fabrication will help restore American technological leadership in chip production and strengthen this vital supply chain. It will ensure more semiconductors are produced here in the United States and not China, but only one Republican on this Committee supported this legislation.

When the COVID-19 public health emergency exposed serious vulnerabilities in our critical manufacturing supply chains, Commerce spearheaded the national response to the crisis. The agency launched a first-of-its-kind Supply Chain Center that serves as the analytic engine for supply chain resilience within the federal government. Bipartisan supply chain legislation led by Representatives Blunt Rochester, Kelly, Dingell, Wild, and Bucshon that passed the House in May would further supplement Commerce’s supply chain efforts.

The Biden Administration has also strengthened export controls on key technologies that could potentially support the military of countries of concern to our national security. Commerce is tasked with administering a so-called Entity List, which imposes export restrictions on entities that can harm our national security. Since President Biden took office, the

Department has added 318 entities from the People's Republic of China to this list, more than any other administration.

Commerce is also championing efforts to strengthen America's travel and tourism industry. Commerce has released a National Travel and Tourism Strategy, which sets a five-year goal of attracting 90 million international visitors, who would spend an estimated \$279 billion, annually by 2027. With world-class destinations like the beaches of my Congressional district, I'm confident that Commerce will meet this ambitious goal.

Commerce is also playing a crucial role in our continued efforts to ensure every American has access to high-speed, affordable internet. President Biden and Congressional Democrats delivered with the Bipartisan Infrastructure Law, which allocates nearly \$50 billion to broadband programs operated by the National Telecommunications and Information Administration (NTIA) within the Commerce Department. The agency is working closely with all 50 states, the District of Columbia, and the territories to get affordable high-speed internet to all Americans.

The Department of Commerce is also helping build our nation's capacity to evaluate and mitigate the risks of Artificial Intelligence (AI) systems. This will help ensure safety, security, and trust while promoting an innovative, competitive AI ecosystem that supports workers and protects consumers.

All of this tremendous work takes funding, and unfortunately Republican House appropriators have publicly pledged to cut non-defense programs by six percent. The initial allocation for the Commerce, Justice, Science, and Related Agencies Appropriations bill is over \$4 billion less than funding levels enacted for this current fiscal year.

If "tough on China" was more than a mere talking point for House Republicans, they'd be increasing Commerce's budget, not slashing it. Here is what's on the chopping block. Policies and programs that foster economic development and create good-paying jobs, protect critical and emerging technologies, encourage technological development and innovation, promote leadership and responsible innovation in AI, and support offshore wind energy and climate resilience.

We should be building on the successful policies of the Biden Administration, not undermining them. America's competitiveness, national security, and economic vitality depends on it.

I look forward to hearing Secretary Raimondo's testimony today and yield back the balance of my time.