Intel delays ceremony for Ohio factory over lack of government funding

Intel is postponing the groundbreaking ceremony for its planned chip-making facilities in Ohio because the US government hasn't yet provided it with funding, the company confirmed to *The Verge* (via *The Washington Post* and *The Wall Street Journal*). The ceremony, which was originally set to take place on July 22nd, has been delayed indefinitely in a likely bid to push the US government towards passing the CHIPS Act.

Intel announced its $20 billion plan to build two semiconductor plants in New Albany, Ohio earlier this year, noting that its expansion to potentially include up to eight plants will "depend heavily on funding from the CHIPS Act." The CHIPS Act reserves $52 billion in funding for semiconductor companies, including Intel, to promote chip manufacturing in the US. While the Senate and House have approved their own versions of the bill, movement on its finalization has stalled in Congress.

"There is no reason that we should not pass this bill through Congress in July"
Intel told US lawmakers and government officials that it's delaying its ceremony "due in part to uncertainty around" the CHIPS Act, according to an email viewed by the *WSJ*. In a statement to *The Verge*, Intel spokesperson William Moss reiterates that the "scope and pace" of the company's project rely on funding from the CHIPS Act. "Unfortunately, CHIPS Act funding has moved more slowly than we expected and we still don't know when it will get done," Moss adds.

Moss goes on to say, “it is time for Congress to act” so the company can “move forward at the speed and scale” for its projects in and outside of Ohio. Although Intel has delayed its groundbreaking ceremony, Moss says it hasn’t pushed back plans to begin building its facilities. Construction is still set to commence in late 2022, with production starting in 2025.

“We expressed our belief that there is no reason that we should not pass this bill through Congress in July,” House Speaker Nancy Pelosi and Senate Majority Leader Chuck Schumer said in a statement following a meeting about the chip-related legislation on Tuesday.

Congress faces mounting pressure from Intel and other government officials to pass a final version of the CHIPS Act before the Congressional recess in August. As noted by *The Post*, officials are concerned that Congress’ slow action on the bill could cause semiconductor companies to turn their attention away from the US.

In May, US Commerce Secretary Gina Raimondo warned about this possibility in a statement to CNBC and urged Congress to pass the bill. “If Congress doesn’t pass the CHIPS Act and pass it quickly, we’re going to lose out on that. Intel, Micron, Samsung – they’re growing, they’re going to build future facilities,” Raimondo stated.

https://www.theverge.com/2022/6/25/23182727/intel-groundbreaking-ceremony-delayed-government-funding-chips-act