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Upstate NY chipmaker becomes second to sign final deal with Biden administration

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An aerial view of the GlobalFoundries computer chip plant in Malta, N.Y. The company will receive \$1.375 billion to expand and triple its production capacity. GlobalFoundries photo



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Syracuse, N.Y. -- The Biden administration announced it has signed a final deal to provide GlobalFoundries \$1.5 billion to expand a chipmaking plant in Saratoga County and update a smaller plant in Vermont.

GlobalFoundries will receive \$1.375 billion to expand its plant in Malta, where it produces chips for cars, smart phones, artificial intelligence and military hardware. The expansion, which GlobalFoundries said would cost \$13 billion, would create 8,000 construction jobs and 1,000 manufacturing jobs.

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It's the second major announcement in a week of a final deal from the CHIPS and Science Act, which is giving \$39 billion to chipmakers to produce chips in the United States. On Friday, the \$6.6 billion deal with the world's largest chipmaker, Taiwan Semiconductor Manufacturing Co., was announced.

Several other preliminary deals between the U.S. Department of Commerce and chipmakers have yet to be finalized, including one with Micron Technology to build up to four fabrication plants, or fabs, in the town of Clay. Micron has delayed the start of construction until at least November 2025.

Biden announced a tentative deal with Micron in April during a visit to Syracuse. Under that agreement, Micron could receive up to \$4.6 billion in CHIPS Act grants and more than \$11 billion in tax credits to build the first two fabs in Clay.

U.S. Commerce Secretary Gina Raimondo, in a visit to Central New York in September, said she expected the Micron deal to be signed by the end of this year.

The Biden administration is racing to get the deals done before President-elect Donald Trump takes office in January. Trump has criticized the CHIPS Act as "so bad" and House Speaker Mike Johnson said in Syracuse Nov. 2 that Congress could repeal or make substantial changes to the law and its implementation.

GlobalFoundries will also receive \$125 million to revitalize its fab in Burlington, Vermont. That will create 1,000 construction jobs.

“This major investment will help secure America’s supply chains and protect against the shortages that led to skyrocketing prices for cars, computers, and more that hit families during the COVID-19 pandemic as a result of us not producing enough of these chips domestically,” U.S. Sen Charles Schumer, the architect of the CHIPS Act, said in a statement.

The CHIPS money is not paid upfront; companies have to meet certain milestones or construction and hiring before receiving the funds. The Commerce Department has not released details on those milestones.

The department has also released no information on the terms of a \$1.6 billion loan to GlobalFoundries that was announced in February.

GlobalFoundries also finalized a \$550 million agreement with New York state for the Malta expansion. Most of that -- \$515 million -- will come as tax credits from the state’s Green CHIPS program.

“GlobalFoundries has a proven record of creating jobs in New York and we are proud to support their continued growth and commitment to New York,” Gov. Kathy Hochul said in a statement.

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