May 11, 2021

Dear Speaker Pelosi, Leader Schumer, Leader McConnell, and Leader McCarthy:

The Semiconductors in America Coalition (SIAC), a coalition of semiconductor companies and downstream users of semiconductors, writes in support of President Biden’s call for $50 billion for the semiconductor manufacturing incentives and research investments in the bipartisan CHIPS for America Act. We urge Congress work to include these appropriations in upcoming legislation.

Semiconductors are crucial to the technologies of today and tomorrow, including aerospace, automotive, cloud computing, medical devices, telecommunications, and more. Semiconductors also underpin many of the technologies and systems vital to our national security and critical infrastructure. Unfortunately, U.S. leadership in this critical technology is at risk. Governments around the world are offering significant subsidies to attract new semiconductor fabrication and research facilities. As a result, it is 20-40% more expensive to build and operate a fab in the U.S. compared to overseas. Consequently, the U.S. global share of semiconductor manufacturing has steadily eroded from 37% in 1990 to 12% today. At the same time, federal investment in semiconductor research has been relatively flat, while other countries are investing heavily to challenge U.S. leadership.

Congress has taken an important step in addressing these challenges by enacting Title XCIX of the 2021 National Defense Authorization Act (PL 116-283), “Creating Helpful Incentives to Produce Semiconductors for America” (CHIPS for America), which authorizes federal incentives to promote semiconductor manufacturing and federal investments in semiconductor research. President Biden has called for these programs to be funded at $50 billion, and we support this level of funding to make these programs a reality.

The current shortage of semiconductors is impacting a broad range of industries throughout the economy. To address this problem in the short term, government should refrain from intervening as industry works to correct the current supply-demand imbalance causing the shortage. But for the longer term, robust funding of the CHIPS Act would help America build the additional capacity necessary to have more resilient supply chains to ensure critical technologies will be there when we need them. Manufacturing incentives funded by Congress should focus on filling key gaps in our domestic semiconductor ecosystem and cover the full range of semiconductor technologies and process nodes – from legacy to leading-edge – relied on by industry, the military, and critical infrastructure.

Sincerely,

Semiconductors in America Coalition (SIAC)
(companies listed below)
SIAC is comprised of Semiconductor Industry Association members, other companies in the semiconductor ecosystem, and major downstream users of semiconductors from a range of important sectors:

Amazon Web Services | Apple | AT&T | Cisco Systems | General Electric | Google | Hewlett Packard Enterprise (HPE) | Microsoft | Verizon


Allegro MicroSystems | ARM | Infineon | Kioxia | MediaTek | NXP | Polar Semiconductor | Samsung | SK hynix | TSMC