

July 22, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
House Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Senate Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Senate Republican Leader
U.S. Senate
Washington, D.C. 20510

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

The undersigned associations and unions, representing major sectors of the American economy and millions of workers, call on Congress to reinvigorate semiconductor manufacturing in the United States and increase semiconductor research by funding the initiatives authorized in the “Creating Helpful Incentives for the Production of Semiconductors” (CHIPS) for America Act and to enact an investment tax credit to help build and modernize more semiconductor manufacturing facilities in America.

Semiconductors play a critical role in enabling the products and services that fuel our economy, contribute to American innovation, provide healthcare to patients, and enhance our national security. Given this central role, strengthening the U.S. position in semiconductor research, design, and manufacturing is a national priority. While the governments of our global competitors have invested heavily to attract new semiconductor manufacturing and research facilities, the absence of comparable U.S. incentives has made our country less competitive and America’s share of global semiconductor manufacturing has steadily declined as a result. To be competitive and strengthen the resilience of critical supply chains, we believe the U.S. needs to incentivize the construction of new and modernized semiconductor manufacturing facilities and invest in research capabilities.

The CHIPS for America Act was authorized in the 2021 defense bill, and the Senate just last month overwhelmingly passed bipartisan legislation including \$52 billion in emergency supplemental funding to promote U.S. semiconductor manufacturing (including advanced packaging) and research as part of its competitiveness bill (S. 1260). The Biden Administration has expressed strong support for this funding and included it in its budget request. We call on Congress to expeditiously approve funding for these programs as set forth in the Senate-passed legislation and enact an investment tax credit as provided in the Facilitating American-Built Semiconductors (FABS) Act. These initiatives will help grow the U.S. economy, create hundreds of thousands of good-paying

middle-class jobs in advanced manufacturing and other fields, unleash billions in private-sector investments, assure the supply of critical components essential to virtually all sectors of the economy, and strengthen our national security.

The need is urgent and now is the time to act. We look forward to working with you on this national priority.

Sincerely,

AdvaMed – Advanced Medical Technology Association
Alliance for Automotive Innovation
American Automotive Policy Council
Autos Drive America
Information Technology Industry Council (ITI)
IPC
Motor & Equipment Manufacturers Association (MEMA)
National Association of Manufacturers (NAM)
National Defense Industrial Association (NDIA)
North America’s Building Trades Unions (NABTU)
SEMI
Semiconductor Industry Association (SIA)
Software & Information Industry Association (SIIA)
Tech CEO Council
TechNet
Telecommunications Industry Association (TIA)
Truck & Engine Manufacturers Association
United Auto Workers (UAW)
U.S. Chamber of Commerce
USTelecom – The Broadband Association