

February 11, 2021

The Honorable Joe Biden
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. President:

As your administration formulates an economic recovery and infrastructure strategy, the leaders of the U.S. semiconductor industry call on you to include robust funding for semiconductor manufacturing and research.

Semiconductors are critical to the U.S. economy, American technology leadership, and our national security. They enable the technologies needed to realize your Build Back Better goals, including smarter and safer transportation, greater broadband access, cleaner energy, and a more efficient energy grid, while also providing high-paying jobs for Americans and strengthening our advanced manufacturing base. During the pandemic, semiconductor-enabled technologies have aided researchers in developing life-saving vaccines and helped Americans work and learn remotely. Investments in domestic semiconductor manufacturing and research will allow more of the components fueling U.S. economic growth, jobs, and infrastructure to be made here, while simultaneously enhancing our national security and supply chain resilience to meet future challenges.

The Pentagon's industrial base policy office recently highlighted the challenges facing the semiconductor industry in the U.S. Indeed, our share of global semiconductor manufacturing has steadily declined from 37 percent in 1990 to 12 percent today. This is largely because the governments of our global competitors offer significant incentives and subsidies to attract new semiconductor manufacturing facilities, while the U.S. does not. Others have also increased R&D investment substantially, while the U.S. investment in research has been relatively flat. As a result, the U.S. is uncompetitive in attracting investments in new fab construction and our technology leadership is at risk in the race for preeminence in the technologies of the future, including artificial intelligence, 5G/6G, and quantum computing.

Congress has taken an important initial step in addressing these challenges. In the 2021 defense bill, it enacted the CHIPS for America Act (P.L. 116-283), which authorized federal incentives for semiconductor manufacturing and increased investments in semiconductor research. Working with Congress, your administration now has an historic opportunity to fund these initiatives to make them a reality.

We therefore urge you to include in your recovery and infrastructure plan substantial funding for incentives for semiconductor manufacturing, in the form of grants and/or tax credits, and for basic and applied semiconductor research. We believe bold action is needed to address the challenges we face. The costs of inaction are high. We stand ready to work with you to achieve our shared goals.

Sincerely,

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