

PASS THE CHIPS ACT OF 2022

CHIPS Act of 2022 would revitalize the U.S. semiconductor industry and promote U.S. economic and national security.

A NATIONAL PRIORITY – Semiconductors are critical to the U.S. economy, national security, and technology leadership, but our nation's leadership is at risk as global competitors invest heavily to build their own domestic semiconductor industry and technology capabilities.

- Global competitors are investing heavily in semiconductor research, while federally funded research in the U.S. has been flat for years.
- The U.S. share of commercial semiconductor manufacturing has declined from 37% in 1990 to 12% today.
- This decline is largely due to significant incentives offered by our global competitors. As a result, the cost of constructing and operating a semiconductor fabrication facility in the U.S. is 25-50% higher than outside the U.S.
- The U.S. faces several gaps and vulnerabilities in the semiconductor supply chain, posing significant risks to the U.S. economy and national security.

THE SOLUTION – The CHIPS Act of 2022 is a holistic policy approach to maintain U.S. semiconductor leadership.

- To compete with substantial foreign subsidies and level the playing field, as well as to address our supply chain vulnerabilities, Congress must pass the CHIPS Act of 2022 to:
 - provide \$52 billion in manufacturing grants and research investments
 - establish a 25% investment tax credit (ITC) to incentivize semiconductor manufacturing in the U.S.
- The CHIPS investments and an ITC combine to provide strong incentives to construct, upgrade, and expand new and existing facilities. Together, these incentives will revitalize U.S. semiconductor manufacturing, strengthen our supply chain, and advance national security.

WHY SEMICONDUCTORS ARE IMPORTANT – Semiconductors are critical to the U.S. economy, national security, technology leadership, and day to day life for American consumers.

- Semiconductors enable the key technologies driving the future economy and our national security – AI, 5G/6G, quantum computing, cloud services etc.
- The current shortage of chips highlights the vital role of semiconductors throughout the entire economy – including aerospace, automobiles, communications, defense systems, information technology, manufacturing, medical technology, and others.
- A resilient semiconductor supply chain and U.S. semiconductor technology leadership is critical to our national security, critical infrastructure, and economy.

Congress must swiftly pass the CHIPS for America Act of 2022 to enhance economic growth, strengthen national security, and advance U.S. technology leadership

BROAD SUPPORT FOR THE CHIPS ACT ACROSS NATIONAL SECURITY, INDUSTRY, AND GOVERNMENT.

NATIONAL SECURITY & DEFENSE

- [National security leaders](#): “This critical funding aims to encourage the development of domestic semiconductor manufacturing capabilities and ensure the U.S. stays on the cutting-edge of microelectronics.”
- [Defense industry CEOs](#): “Microelectronics are key to producing and sustaining state-of-the-art U.S. and allied warfighting capabilities for 21st century deterrence. The life span of complex military systems requires a resilient supply that assures secure, available, and sustainable microelectronics chips for many years to come.”
- [Defense Secretary Austin & Commerce Secretary Raimondo](#): “If we miss this window, the United States will fall further behind in global semiconductor production and jeopardize our advantage in next generation design. [...] It will also enable the Department of Defense to help on-shore critical capabilities and innovate within our national defense industrial base.”
- [Deputy Secretary of Defense Hicks & Commerce Deputy Secretary Graves](#): [Semiconductors] are fundamental to a broad range of advanced Department of Defense capabilities, such as autonomous systems, artificial intelligence, directed energy, and hypersonic weapons. And our military communication and navigation systems use them, as does our nation’s critical infrastructure.
- [President Biden at Lockheed Martin facility](#): “Each of the Javelins you produce includes more than 200 semiconductors. [...] “By funding the CHIPS Act, we’re going to ensure the semiconductors that power the economy and our national security are made here in America again.”

BUSINESS & INDUSTRY

- CEOs from tech, auto, aerospace, and other industries:
 - [On the CHIPS and FABS Acts](#): “Funding the CHIPS Act and enactment of a strengthened FABS Act will help meet this long-term challenge by incentivizing semiconductor research, design, and manufacturing in the U.S., thereby strengthening the U.S. economy, national security, supply chain resilience, and increasing the supply of chips so important to our entire economy. We ask you to prioritize actions to help strengthen the U.S. semiconductor ecosystem.”
 - [On competitiveness](#): “The rest of the world is not waiting for the U.S. to act. Our global competitors are investing in their industry, their workers, and their economies, and it is imperative that Congress act to enhance U.S. competitiveness.”

- [Major industry associations and labor unions:](#) “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.”
- [Auto Industry CEOs:](#) “Currently, the auto industry is facing substantial production losses stemming from capacity challenges across the global semiconductor supply chain. Numerous automakers have been forced to halt production and cancel shifts in the United States, with serious consequences for their workers and the communities in which they operate. [...] This legislation presents an important opportunity to invest in the domestic capacity and resilience of semiconductor supply chains critical to the future of U.S. competitiveness in automotive innovation.”

CONGRESSIONAL LEADERS

- [Problem Solvers Caucus:](#) “The U.S. economy as a whole and important sectors in each of our districts depend on our nation having a resilient supply of semiconductors. Time is of the essence and now is the time to act on this national priority. We stand together, ready to work with House leadership to pass full funding for the CHIPS for America Act.”
- [Bipartisan & Bicameral Legislators:](#) “The funding and structural reforms included in CHIPS will create a more resilient domestic semiconductor supply chain which will help prevent future shortages that cause GDP drag, job losses, more expensive consumer goods, and national security vulnerabilities.”
- [House Republican China Task Force:](#) “Congress should pass certain advanced semiconductor manufacturing incentives found in the provisions of the [...] CHIPS for America Act, including relevant sections included in the House and Senate passed FY2021 NDAA.”
- [Congressional supporters of the auto industry:](#) “The global automobile industry will lose \$110 billion in revenue and produce 3.9 million fewer cars than planned in 2021 due to the semiconductor shortage. [...] In order to save jobs and ensure there is a robust domestic automotive manufacturing industry in the U.S., there must be a significant investment in production of legacy chips.”

STATE AND LOCAL LEADERS

- [National Governors Association:](#) “Governors on both sides of the aisle agree that the \$52 billion in federal investments for the domestic semiconductor research, design and manufacturing provisions in the CHIPS Act is absolutely critical to our national security and will allow us to address gaps and vulnerabilities in the U.S. supply chain.”
- [Letter from 22 Bipartisan Governors:](#) “As Governors, we can all point to industries in our states that have been impacted. [...] These shortages have resulted in reduced production and in some cases, idled plants. This means workers with less income, increased prices at the store, less products for consumers to buy and an ever-growing dependence on foreign supplies.
 - CA, CT, ID, IL, IN, KS, KY, MA, MI, NV, NJ, NM, NY, NC, OH, OR, PA, UT, VT, WA, WI, WY



- [Letter from 9 Bipartisan Governors](#): “The CHIPS Act funding would also provide a new, powerful tool in our states’ economic development toolboxes. Collocating semiconductor production will spur innovation and reduce inefficiencies and costly delays for our manufacturers and suppliers.”
 - AL, CA, IL, KS, KY, MI, NC, PA, WI
- [Governor Abbott \(TX\)](#): “I call on Congress to pass this legislation without further delay, so that Texas and the United States can continue to lead in the semiconductor arena while decreasing our dependence on foreign production and ensuring our national security.”
- [Governor DeSantis \(FL\)](#): “Expanding domestic manufacturing capability is important for Florida and our nation. The strategic investments we are making today will help bring microchip and semiconductor manufacturing back to our state at a time when the supply chains are more fragile than ever.”
- [Governor Ducey \(AZ\)](#): “This legislative effort - an initiative spanning Administrations & political parties - will secure America’s future economic prosperity enabled by cutting-edge semiconductor tech, create thousands of high-skilled jobs, & advance American national security & military strength.”
- [Governor Hochul \(NY\)](#): “CHIPS is that rare thing: a significant bill with true bipartisan support. [...] Expanding the U.S. semiconductor industry isn’t a moonshot.”
- [United States Conference of Mayors](#): “[The CHIPS Act] would provide \$52 billion to strengthen and invest in the semiconductor industry and the critical, good-paying jobs it supports. The United States Conference of Mayors calls on Congress and the Administration to pass the CHIPS for America Act and to continue to support the semiconductor industry and workforce.”

Passing the CHIPS Act of 2022 is vital to our economic future, technology leadership, and national security.



America’s Future is Built on Semiconductors