



May 7, 2025

*Via Regulatory Portal*

### **SIA EXECUTIVE SUMMARY**

America's leadership in semiconductor technology is a national asset. Semiconductor technologies underpin U.S. leadership in the technologies of the future – artificial intelligence, quantum computing, 6G communications – and a range of downstream manufacturing and service industries vital to America's economic, industrial, and military strength. The U.S. semiconductor industry has held the pole position in the global market for the past several decades and currently commands 50.7% of the global market share. The U.S. government – in partnership with industry – needs to pursue a comprehensive strategy to maintain this leadership, and any policy intervention should be evaluated based on this global market share metric.

The Semiconductor Industry Association (SIA) supports President Trump's objective to reshore American semiconductor production as we continue our drive to maintain U.S. semiconductor leadership. To that end, our companies are investing over half a trillion dollars (and counting) in new manufacturing research and development facilities across 28 states and training the next generation of American talent and workforce. Without continued access to foreign markets and efforts to increase demand for U.S. chips, our ambitious goals to expand domestic capacity may not be economically viable, as roughly 70% of U.S. semiconductor industry revenue comes from sales to overseas customers.

We must therefore ensure that the United States is a cost-competitive location to research, design, and manufacture chips. Achieving this goal requires attracting private investment, removing trade and other barriers to U.S. chips in overseas markets, and negotiating bilateral and sectoral trade deals to create new demand and open markets for U.S. semiconductor sales. Untargeted tariffs risk reducing American competitiveness by raising the cost of developing technology and manufacturing chips here at home.

We are eager to work with the Trump Administration on trade, tax, deregulation, economic security, and workforce policy, among others, to ensure America's leadership in semiconductor technology remains unchallenged. Our comments to the Commerce Department to inform its Section 232 investigation (90 Fed. Reg. 15950) offer cross-cutting recommendations for policies that will boost America's industrial strength in semiconductors and improve our competitiveness to ensure we can continue to win globally. These recommendations include pursuing:

- **A sectoral agreement on semiconductor technologies and derivative products** with likeminded allies and partners to create preferential markets for U.S. chips and downstream electronics products and incentivize the creation of more resilient supply chains.

- **Domestic tax incentives** to spur additional investments in the domestic semiconductor ecosystem and bolster supply chain resilience, including by extending and expanding the Advanced Manufacturing Investment Credit (AMIC) (IRC Section 48D).
- **Streamlined regulation to accelerate investment in the U.S. chip supply chain**, including by reviewing regulations that may inadvertently stifle the ability to build semiconductor manufacturing facilities.
- **Funding for research and development and workforce training programs.** This includes funding robust federal R&D programs such as the NSTC, NAPMP, SMART USA Institute, CHIPS Metrology Program, and DOD Commons, and advancing recommendations in SIA's policy blueprint for workforce development.
- **Policies that lower the cost for critical inputs**, including materials and equipment, necessary to design and manufacture semiconductors in the United States.

Should the administration determine to impose a tariff remedy as a result of this investigation, narrowing the scope of any tariffs, excluding domestic content, opting for a phase-in or TRQ approach, maintaining duty drawback, and avoiding overlapping remedies and tariffs that may result from different trade actions (e.g. other Section 232 and Section 301 investigations) would collectively mitigate some of the risks to the semiconductor industry in the United States.

Given the complexity of semiconductor technologies, supply chains, and markets, we urge the Trump Administration to consult closely with SIA and our member companies throughout this investigation and with respect to any potential remedies. SIA and member companies stand ready to work with BIS to reinforce U.S. economic strength, national security, innovation, and technology leadership.