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U.S. Chamber of Commerce

November 3, 2021

The Honorable Gina Raimondo  
Department of Commerce  
Washington, D.C. 20500

Dear Madam Secretary:

The undersigned associations, representing major sectors of the American economy, thank you for your leadership in working to strengthen critical supply chains, especially with respect to semiconductors. In particular, we strongly support the efforts of the Biden-Harris Administration and U.S. Congress to make historic investments in our domestic semiconductor research, development, and manufacturing capabilities that will solidify our global leadership in this crucial industry. We also appreciate President Joe Biden's 100-day review of critical supply chains, including the subsequent report that demonstrated the acute need to address the security and resiliency of semiconductors supply chains. However, we write to make you aware that some of our members have raised concerns regarding the U.S. Department of Commerce's recent Request for Information (RFI) for Risks in the Semiconductor Supply Chain, and the RFI's approach in seeking to collect sensitive data from companies, and how the U.S. government intends to use the data it collects.

Semiconductors are vital to U.S. economic competitiveness and national security, as are many of the technologies that rely on a secure supply of chips. The current semiconductor shortage is impacting nearly every sector of the economy, from information and communications technology (ICT) to healthcare, aerospace, and transportation. Our members are supportive of the Biden Administration's interest in addressing bottlenecks in the supply chain that may be contributing to this shortage, including improving transparency and facilitating information flow across the various segments of the supply chain, and we agree that good data is vital for guiding the design of good policy.

We commend the U.S. Department of Commerce for seeking data-driven solutions to the current challenge through this RFI, and offer the following constructive suggestions on how best to protect and consider the data collected. First, we urge the U.S. Department of Commerce to treat information submitted thereto with the sensitivity and anonymity necessary to avoid jeopardizing the dealings of any given business. Second, much of the information requested is dynamic, with bottlenecks changing on a frequent basis, so we caution that the RFI may not yield information that presents an accurate picture of the semiconductor supply chain. Third, we encourage the U.S. Department of Commerce to consider the nature of this unique challenge and how the information requested through this RFI may unintentionally distort the

realities of the semiconductor supply chain. This underscores why the ongoing exchange of information and coordination between government and the private sector is vital.

As the Biden Administration has emphasized, there is a compelling need for increased investment in domestic semiconductor manufacturing, which will be especially beneficial in addressing the ever-increasing demand for chips. We therefore strongly encourage the Biden Administration to continue its focus on investing in U.S. technology innovation and incentivizing increased capacity as the best solution to address semiconductor supply chain challenges over the long term. As demand for semiconductor-enabled digital infrastructure continues to grow, the United States must move quickly to provide necessary funding and incentives to build new capacity to meet increasing global demand pressures, diversify production, and invest in next generation research and development that will power the technologies of the future. We support the continuing efforts to fund the bipartisan *Creating Helpful Incentives for the Production of Semiconductors for America Act*, or *CHIPS Act*, and pass a strengthened *Facilitating American-Built Semiconductors Act*, or *FABS Act*, that incorporates a semiconductor investment tax credit for both design and manufacturing.

Semiconductor supply chain management practices are complex and require both long-term planning and active management of supplier relationships with hundreds of companies around the world. As the Biden Administration has also noted, these adjustments will need to be market-led. Our industries have worked diligently to ramp up production to meet renewed demand and keep operations running at the highest capacity possible by leveraging the resiliency of the global supply chain and sound supply chain and inventory management practices. Given the unprecedented demand for chips now and in the future, we urge the Biden Administration and U.S. Congress to remain focused on supporting and accelerating strategic investments in manufacturing capacity across the semiconductor supply chain ecosystem to address long-term capacity and resiliency challenges.

We encourage the Biden Administration to continue engaging actively with the private sector and like-minded governments to identify sustainable, long-term strategies to address supply chain resiliency that rely on market-based solutions and exchange of best practices in supply chain risk management. To that end, we stand ready to be helpful partners to build a stronger and more resilient semiconductor supply chain.

We look forward to continuing to work with you to advance U.S. technology leadership and to leveraging the world-class U.S. manufacturing base and workforce as a foundational element of addressing these challenges.

Sincerely,

Computer and Communications Industry Association (CCIA)

Information Technology Industry Council (ITI)

Security Industry Association (SIA)

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