

THE NEW ENGLAND COUNCIL

July 19, 2022

Dear New England Senators,

On behalf of the members of The New England Council, we urge you to pass legislation to establish the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund. The innovation community in New England and beyond is being negatively impacted by supply chain constraints, particularly as they relate to the semiconductor manufacturing industry. Semiconductor chips are used in a wide array of devices – including some everyday ones such as smart phones, appliances, vehicles, ATMs, and medical equipment. Thus, a shortage of these critical devices has broad economic, societal and national security ramifications. The \$54.2 billion investment in this critical industry proposed in this legislation will be key to addressing these shortages and mitigating their economic impact.

Members of the New England Council also support the proposed tax incentives to bolster the construction, expansion, and modernization of semiconductor manufacturing and design innovation facilities in the United States. This would make the domestic industry more competitive while encouraging more investment within the U.S. The New England region is recognized as a global innovation hub and is home to industry-leading companies across an array of sectors including semiconductors, life sciences, renewable energy, biotechnology, and more. We believe firmly that the proposed legislation will help ensure our region's continued growth and leadership on the global stage.

While we were hopeful that a more comprehensive legislation reconciling of the House of Representatives' America COMPETES Act and the Senate's U.S. Innovation and Competitiveness Act (USICA) would come to the floor, addressing the semiconductor shortage is of the utmost urgency. We hope that Congress will reconsider some of the other measures included in these two bills – particularly as they relate to research and development, as well as workforce development—in the future. For New England's innovation economy to continue to grow and thrive, The New England Council supports advancements in federal policies that will support U.S. innovation and global competitiveness and help tackle some of the biggest challenges our region's innovators currently face, and, we urge you to pass this vital legislation, CHIPS, before the August recess.

Sincerely,



James T. Brett

President & CEO

The New England Council

98 North Washington Street, Suite 303 • Boston, Massachusetts 02114 • (617) 723-4009

1411 K Street, NW, Suite 700 • Washington, DC 20005 • (202) 547-0048

www.newenglandcouncil.com