

April 3, 2020

The Honorable Donald J. Trump
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of SEMI, the association representing the semiconductor and electronics manufacturing supply chain, thank you for your leadership to help create a level-playing field that promotes American business and protects intellectual property. SEMI shares the U.S. government's interest in protecting technologies that are critical to national security and the integrity of the U.S. semiconductor manufacturing supply chain. I am writing to ensure you are aware of our deep concerns regarding export control proposals that would disrupt the semiconductor and electronics supply chain – costing American jobs and putting U.S. technological leadership at risk – while failing to advance U.S. national security goals. Furthermore, these proposals would create uncertainty for supply chains that are the foundation of products and services critical to fighting the COVID-19 pandemic.

The widely reported proposal would impose a unique license requirement on the use of U.S.-origin equipment and technology without similar restrictions on equipment and technology that are not of U.S.-origin. This unilateral control will significantly and disproportionately harm U.S. exports of this equipment, serve as a disincentive for further investments and innovation in the U.S., and lead to the design-out of U.S. technology and components. It will erode U.S. technology leadership and cost many U.S. jobs since revenue from global sales allows SEMI members to invest in R&D and remain at the cutting edge of technology. This proposal will also increase the U.S. trade deficit because the U.S. exports over \$20 billion of this equipment each year and this revenue sustains investments in future technology to "run faster" than competitors and create jobs in the U.S.

SEMI respectfully asks the administration to consider the impact of new export control regulations and ensure a transparent process, allowing for public comment before proposals are finalized. This type of transparency and opportunity for public comment is critical to ensure that any rule is appropriately designed to achieve the U.S. government's national security objectives without imposing unintended consequences on U.S. industry. It would also ensure that the industry has time to adjust to any new rules, which is particularly important in light of the COVID-19 outbreak and the industry's vital importance in helping the U.S. combat the pandemic.

Thank you for your strong leadership in these uncertain times. SEMI looks forward to working with you to ensure that new regulations preserve U.S. leadership in the semiconductor industry and achieve intended U.S. national security objectives.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit Manocha", with a horizontal line underneath.

Ajit Manocha
President and Chief Executive Officer
SEMI

cc: Secretary of State Michael R. Pompeo
Secretary of Defense Mark T. Esper
Secretary of the Treasury Steven T. Mnuchin
Secretary of Commerce Wilbur L. Ross, Jr.
National Security Adviser Robert C. O'Brien
Assistant to the President for Economic Policy Larry Kudlow