

February 25, 2020

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

Dear Mr. President:

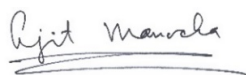
On behalf of SEMI, the association representing the semiconductor and electronics manufacturing supply chain, I am writing to thank you for your February 18 comments regarding the importance of allowing U.S. companies, including those involved in the production of semiconductors, to continue to sell non-sensitive U.S.-origin technology abroad. We appreciate your strong guidance that export controls and related regulatory tools should be narrowly tailored to address specific national security concerns. This is incredibly important for the continued viability of the U.S. semiconductor industry, including SEMI member companies, which manufacture the equipment used to produce semiconductors around the world.

SEMI members are very concerned that proposals being advanced by the Department of Commerce would severely impact the semiconductor and electronics supply chain, hurting U.S. jobs and technology leadership without achieving U.S. national security goals. It has been widely reported that the administration is considering amending the U.S. Export Administration Regulations (EAR) to regulate the use of any U.S. semiconductor manufacturing equipment, materials or technology to produce semiconductor devices for certain customers. At the same time, the administration is also reportedly considering implementing broad regulatory restrictions on the sale of semiconductor devices incorporating minimal amounts of U.S. content, even if the technology is non-sensitive, widely available, and poses no national security concerns.

These proposals would have severe impacts on the U.S. and global semiconductor and electronics industries, create confusion and uncertainty in manufacturing supply chains, reduce investment in new capacity, and lead to the design-out of U.S. technology and U.S. components. Imposing unilateral controls on U.S.-origin semiconductor devices, equipment, materials and technology would significantly and disproportionately harm U.S. companies, and serve as a disincentive for further investments and innovation in the U.S. In the long run, this will erode U.S. technology leadership, cost many U.S. jobs, and likely increase the U.S. trade deficit. Revenue from global sales allows SEMI members to invest in R&D and remain at the cutting edge of technology.

Thank you for your leadership to preserve a dynamic and growing semiconductor industry and ensure that U.S. export control regulations remain narrowly tailored to specific national security concerns.

Sincerely,

A handwritten signature in black ink that reads "Ajit Manocha". The signature is written in a cursive style and is underlined.

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