



November 10, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Room H-305, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Room H-204, The Capitol  
Washington, DC 20515

The Honorable Charles E. Schumer  
Majority Leader  
United States Senate  
Room S-221, The Capitol  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Room S-230, The Capitol  
Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Leader McConnell and Leader McCarthy:

We the undersigned Governors urge you to move swiftly to fund the semiconductor re-shoring program authorized in the Creating Helpful Incentives for the Production of Semiconductors for America (CHIPS) Act. This program was funded in the bipartisan, Senate-passed U.S. Innovation and Competition Act (USICA) and requires urgent action if we are to protect jobs, maintain our competitive edge, and secure our supply chain.

As you know, USICA funding included \$52 billion in incentives to boost domestic semiconductor production and research, \$2 billion of which would be dedicated to incentivizing production of the “mature node” semiconductors that are critically important to automakers and parts suppliers. These types of chips are also a key component for other U.S. manufacturing sectors, including medical devices, agricultural machinery like farm tractors and combines, as well as radiation-proof chips required by our national defense industrial base.

There is no question that our nation’s automotive manufacturing industry – more than any other sector – has been hit hardest by the global semiconductor shortage. Production at auto plants across the country has been idled, impacting more than 575,000 auto-related American jobs. In the first three quarters of 2021, automakers in North America lost an estimated 2.2 million vehicles from planned production – equating to over 3,000 lost assembly plant production days. Moreover, the shortage shows no signs of abating, as some now estimate that the crisis will continue to adversely impact the auto industry from the end of 2022 through the first half of 2023.

This grim outlook serves to underscore the urgent need to re-shore semiconductor manufacturing back to the United States – the precise aim of the CHIPS Act funding provisions. Not only will the incentive

funding help address this pressing need, it will also create and protect hundreds of thousands of jobs, grow our economy, and strengthen our national security by creating a resilient domestic semiconductor supply chain for our manufacturers and national defense industrial base.

The CHIPS Act funding would also provide a new, powerful tool in our states' economic development toolboxes. Collocating semiconductor production will spur innovation and reduce inefficiencies and costly delays for our manufacturers and suppliers, helping us to attract long-term, sustainable investments from companies around the world.

The CHIPS Act incentive provisions have garnered broad, bipartisan support, as reflected in the Senate, which passed USICA earlier this year by a vote of 68-32. While we understand that the House of Representatives has its own priorities with respect to the policies and programs included in USICA, we hope the two chambers will now come together quickly to find common ground with respect to this legislation, including full funding for the CHIPS Act re-shoring provisions, as soon as possible.

We thank you for your attention to this critical issue, and we appreciate your timely consideration of our request.

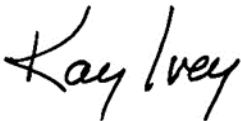
Sincerely,



Gretchen Whitmer  
Governor of Michigan



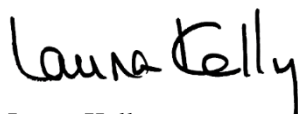
Tony Evers  
Governor of Wisconsin



Kay Ivey  
Governor of Alabama



JB Pritzker  
Governor of Illinois



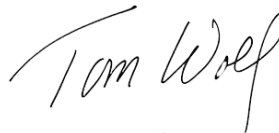
Laura Kelly  
Governor of Kansas



Gavin Newsom  
Governor of California



Roy Cooper  
Governor of North Carolina



Tom Wolf  
Governor of Pennsylvania



Andy Beshear  
Governor of Kentucky