



February 24, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

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

We the undersigned Governors are thankful for the recent progress in moving forward the legislative package needed to enact and fully fund the Creating Helpful Incentives for the Production of Semiconductors for America (CHIPS) Act and restore American domestic manufacturing superiority. Now that both chambers have acted on this economic and national security priority, we urge you to take swift bipartisan action to reconcile the two bills to get to the President's desk for signature. Now is the time for a comprehensive solution to this national security and economic crisis. The \$52 billion in incentives provided under the CHIPS Act to boost domestic chip production and invest in innovative scientific research will help the United States regain our leadership in semiconductor manufacturing and support the businesses and workers who make the products dependent on these chips.

As you know, semiconductor chips are a vital component of many of the products used by consumers every day. The global shortage of these chips, exacerbated by the pandemic and supply chain constraints, has impacted people and industries across the country. As Governors, we can all point to industries in our states that have been impacted – from auto manufacturing to consumer electronics, home appliances, medical devices, agriculture, defense and more. These shortages have resulted in reduced production and in some cases, idled plants. This means workers with less income, increased prices at the store, less products for consumers to buy and an ever-growing dependence on foreign supplies.

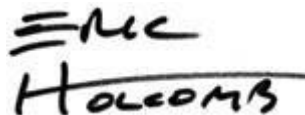
That is why fully funding a package to grow domestic manufacturing, support the development of cutting-edge technological innovation, and create a high-tech workforce is so important. In the long run, increased domestic production of semiconductor chips will help to protect jobs, strengthen our supply chain, improve our national security and defense, allow our economy to grow, and keep the United States a global leader in technology and manufacturing.

The Senate and House legislative packages address U.S. technology and communications, foreign relations and national security, domestic manufacturing, education, trade, and other matters and there is much to agree upon. The CHIPS Act, as funded in both packages, has wide bipartisan support in Congress and among states across the country. The economic development tools provided by the CHIPS Act will help us support our states' economies and revitalize semiconductor production here at home. Passage of an investment tax credit for semiconductor manufacturing and design, as provided in the FABS Act, would be another significant tool in our toolboxes to attract chip-focused investment. Congress should work to include this bipartisan incentive in the final competitiveness legislative package. We hope the two chambers will now come together quickly to expedite passage of this critical legislation.

Sincerely,



Governor Gretchen Whitmer
State of Michigan



Governor Eric Holcomb
State of Indiana



Governor Gavin Newsom
State of California



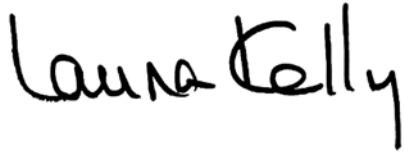
Governor Ned Lamont
State of Connecticut



Governor Brad Little
State of Idaho



Governor JB Pritzker
State of Illinois



Governor Laura Kelly
State of Kansas



Governor Andy Beshear
State of Kentucky



Governor Charlie Baker
State of Massachusetts



Governor Steve Sisolak
State of Nevada



Governor Phil Murphy
State of New Jersey



Governor Michelle Lujan Grisham
State of New Mexico



Governor Kathy Hochul
State of New York



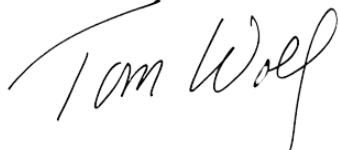
Governor Roy Cooper
State of North Carolina



Governor Mike DeWine
State of Ohio



Governor Kate Brown
State of Oregon



Governor Tom Wolf
State of Pennsylvania



Governor Spencer Cox
State of Utah



Governor Phil Scott
State of Vermont



Governor Jay Inslee
State of Washington



Governor Tony Evers
State of Wisconsin



Governor Mark Gordon
State of Wyoming