

June 22, 2022

The Honorable Maria Cantwell
Chair
Senate Committee on Commerce, Science
and Transportation
U.S. Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member
Senate Committee on Commerce, Science
and Transportation
U.S. Senate
Washington, D.C. 20510

The Honorable Eddie Bernice Johnson
Chair
House Committee on Science, Space
and Technology
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Frank Lucas
Ranking Member
House Committee on Science, Space
and Technology
U.S. House of Representatives
Washington, D.C. 20515

Dear Chair Cantwell, Ranking Member Wicker, Chairwoman Johnson, and Ranking Member Lucas,

The automotive industry is undergoing a significant transformation, one that will reshape global markets and redefine the future of personal mobility. As leaders of companies invested in electrification, automation and the technologies shaping the future of transportation, we urge Congress to quickly advance bipartisan legislation through the conference committee process that enhances U.S. competitiveness in automotive innovation. This includes providing for full funding of the authorized programs from the *CHIPS for America Act*, as well as enactment of a semiconductor manufacturing investment tax incentive such as the one proposed in the *FABS Act*. This legislation presents an important opportunity to invest in the domestic capacity and resilience of semiconductor supply chains critical to the future of U.S. competitiveness in automotive innovation.

Currently, the auto industry is facing substantial production losses stemming from capacity challenges across the global semiconductor supply chain. Numerous automakers have been forced to halt production and cancel shifts in the United States, with serious consequences for their workers and the communities in which they operate. Further, the intersection of high demand, production constraints and declining inventory has driven up prices for both new and used vehicles.¹

Around the world, countries are seeking to capitalize on the need for additional semiconductor manufacturing capacity, across all sectors, through substantial incentives to semiconductor manufacturers.² The U.S. cannot afford to fall further behind. In the 1990s, the U.S. was responsible for approximately 40 percent of global semiconductor production. Today, that number is down to 12 percent. At the same time, current events reflect how rapidly global conflicts or natural disasters can develop and the associated risks to regionally concentrated supply chains. If the U.S. fails to meet this moment and keep pace with international efforts to attract investments in the semiconductor supply chain, it will undermine the competitiveness of

¹ https://www.washingtonpost.com/business/inflation-rises-54percent-from-year-ago-matching-13-year-high/2021/10/13/f32e99f8-2c22-11ec-b17d-985c186de338_story.html

² For example, China has committed \$150 billion to enhancing their domestic capacity for semiconductors. Likewise, Korea, Japan, the European Union, and other countries are investing heavily to attract manufacturing capacity and R&D.

all sectors of the economy – including automotive – that rely on semiconductors for both current and future products and services.

Whether it is electric-drive vehicles, advanced safety systems, autonomous vehicles or connected services, the technologies and innovations shaping the future of our industry require an increasing number of diverse semiconductors – from mature to leading edge nodes. If the U.S. is to remain a leader in automotive innovation, we must make the strategic, forward-looking investments today necessary to enhance the capacity and resilience of our domestic and regional semiconductor supply chains.

We look forward to continuing to work in a bipartisan way with both Congress and the Administration to see a final conference agreement reached that will ensure that the U.S. is positioned to maintain and enhance its place as the leader in automotive innovation.

Sincerely,

Bryan Salesky
Chief Executive Officer
Argo AI

Kevin Fox
President, Autoliv Americas
Autoliv ASP, Inc.

Sebastian Mackensen
President and CEO
BMW of North America, LLC

Mike Mansuetti
President
Bosch in North America

James D. Farley, Jr.
Chief Executive Officer
Ford Motor Company

Mary Barra
Chair and Chief Executive Officer
General Motors

Seiji Maeda
North America CEO
DENSO International America, Inc.

Michael Mauser
President and CEO
HARMAN International

Rick Schostek
Executive Vice President
American Honda Motor Co., Inc.

José Muñoz
Global President & COO,
Hyundai Motor Company, Hyundai Motor
North America and Hyundai Motor America

Bob LeFort
President
Infineon Technologies Americas Corp.

SeungKyu Yoon
President and CEO
KIA America

Peter Rawlinson
CEO and CTO
Lucid Motors

Swamy Kotagiri
Chief Executive Officer
Magna International Inc.

Jeffrey Guyton
President and CEO
Mazda North American Operations

Michael Goebel
President and CEO
Mercedes Benz US International (MBUSI)

Jérémie Papin
Chairperson
Nissan Americas

Kurt Sievers
Chief Executive Officer
NXP Semiconductors

Megan Myungwon Lee
Chairwoman & Chief Executive Officer
Panasonic Corporation of North America

RJ Scaringe
Chief Executive Officer
Rivian

Carlos Tavares
Chief Executive Officer
Stellantis

Jennifer Witz
Chief Executive Officer
SiriusXM

Thomas J. Doll
President and Chief Executive Officer
Subaru of America, Inc.

Tetsuo Ogawa
President and CEO
Toyota Motor North America

Anders Gustafsson
Head of the Americas
Volvo Car USA

Scott Keogh
President & CEO, North American Region
Volkswagen Group of America, Inc

Cc:
Congressional Leadership
Members of the Conference Committee