

# Big tech implorers US congress to pass chip subsidies

Article

**The news:** Leaders from **Alphabet, Apple, Amazon, Dell, IBM, Microsoft, VMware, Ford, GM** and dozens of other technology companies are urging congress to pass the long-delayed **\$52 billion [chip subsidies bill](#), [per](#)** The Register.

**How we got here:** "The rest of the world is not waiting for the US to act. Our global competitors are investing in their industry, their workers, and their economies, and it is

imperative that Congress act to enhance US competitiveness," said a co-signed letter from the **Semiconductor Industry Association** to Congress.

- Signatories included **AMD CEO Lisa Su, Intel CEO Pat Gelsinger, GlobalFoundries CEO Thomas Caulfield, Micron Technology CEO Sanjay Mehrotra, and Nvidia General Counsel Timothy Teter.**
- **The Creating Helpful Incentives for the Production of Semiconductors (CHIPS) for America Act** could help kick-start more aggressive onshore development and production of silicon and components in the US.
- The association said it wants the final legislation to include a measure for investment tax credits that chip fabs can benefit from, ostensibly to aid various [chip factory initiatives](#) in the coming years.
- US chip supplies were close to the [breaking point](#) early this year. US companies that buy semiconductors had five days of inventory in 2021, as opposed to 40 days of inventory in 2019, [per](#) Ars Technica.

**Stalled in Congress:** Economic turmoil has escalated, with the tech sector [bearing the brunt](#) of a down economy exacerbated by supply chain shortages, the war in Ukraine, rising inflation, unemployment, and economic [uncertainty](#).

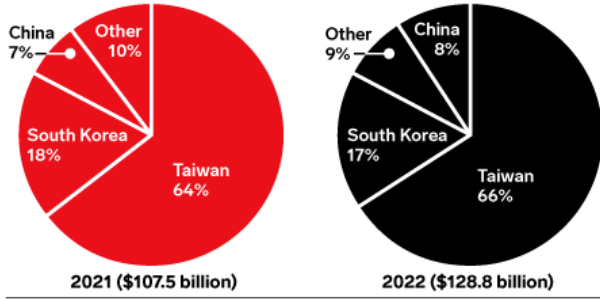
- "We've already wasted several quarters since the Senate acted last year, and now it's time for us to move forward rapidly," Gelsinger [told](#) Congress in March.
- "There needs to be a greater sense of urgency," said **Sen. Mark Warner**, a Virginia Democrat who is one of the authors of the CHIPS legislation.

**The problem:** The longer the bill remains in legislative limbo, the higher the chance that it could be scrubbed. Bloomberg [reported](#) that the legislation "risks collapsing in Congress" from what it says is "increased skepticism from Republicans and the fact that the country is facing other issues."

- The CHIPS for America Act could be held hostage as political leverage on Capitol Hill.
- Further delays might lead US companies to cancel or delay plans to build US chip factories, further diminishing the country's impact in the semiconductor industry.

## Semiconductor Foundry Revenue Share Worldwide, by Country, 2021 & 2022

% of total



Source: TrendForce as cited in press release, April 25, 2022

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