

# United States Senate

WASHINGTON, DC 20510-0908

February 24, 2021

President Joseph Biden  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President:

Thank you for your action, thus far, to increase our nation's supply of materials needed to produce vaccines through the Defense Production Act (DPA). We believe the DPA is an important tool that can address gaps in critical supply chains, and we write to request that you invoke the DPA to address America's capacity to produce semiconductors. Your forthcoming Executive Order that seeks to identify gaps in the domestic semiconductor industry within 100 days is an important first step. Invoking the DPA would be a fast and appropriate policy response to this pressing problem. While Congress has a role to play in this critical national security capacity over the long run, recent events have highlighted the need for action in the immediate term.

Semiconductors are critical inputs and end-use products to defense platform functionality, and contribute to our national infrastructure and technological well-being. They enable transformative technologies such as artificial intelligence, machine learning, and wireless connectivity. However, a recent report to Congress from the Department of Defense stated "the DoD modernization ability is jeopardized by foreign microelectronics (ME) production, actions, and investments."<sup>1</sup>

The U.S. was once the world leader in semiconductor manufacturing, but our position has since significantly eroded compared to international competitors. While the U.S. still maintains an advantage in semiconductor design, we have lost significant ground in semiconductor manufacturing. This loss has placed us in a precarious position, in which U.S. companies are faced with the prospects of relying on foreign suppliers to produce critical national security assets.

The current shortage of semiconductors afflicting American manufacturers is only the most recent example of our vulnerability. Due to the over-reliance of American industry on foreign suppliers of semiconductors, American automakers, among other sectors, have had to halt production of cars and other goods as foreign suppliers struggle to meet global demand. If our manufacturers can be shut down by foreign shortages in peacetime, then we cannot expect to be prepared for worse circumstances.

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<sup>1</sup> FY2020 INDUSTRIAL CAPABILITIES Report to Congress, Prepared by Office of the Secretary of Defense Acquisition and Sustainment Industrial Policy, January 2021

We are at a turning point in the history of our productive capacity in this critical sector, in which we will either retain the ability to produce large quantities of semiconductors, or lose it.

These circumstances demand prompt attention. First, we encourage you to prioritize investments in domestic semiconductor manufacturing in your legislative agenda. Second, we believe the exercise of DPA authority provides your administration a tool to prevent the outsourcing of this critical capacity. We encourage you to utilize this authority to incentivize or, if necessary, require American companies to retain their domestic capacities during this time.

Thank you for your timely consideration of this request.

Sincerely,



Marco Rubio  
U.S. Senator



Christopher A. Coons  
U.S. Senator