

**Congress of the United States**  
**Washington, DC 20515**

February 9, 2023

The Honorable Gina Raimondo  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Raimondo,

We write today to urge the U.S. Department of Commerce to ensure recent historic public investments in the semiconductor industry prioritize companies committed to creating good-paying, union domestic manufacturing jobs. As Members of Congress who stand united with workers, we applaud the Biden Administration's work to spur the greatest expansion of domestic manufacturing in recent history. We are proud to have helped craft a central pillar of this commitment, the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, which provides \$39 billion in grants, loans, and loan guarantees to rebuild America's semiconductor manufacturing capacities. The CHIPS Act also allows companies a 25% advanced manufacturing investment tax credit, producing \$24-52 billion in investment tax breaks over the next decade.

Congress carefully designed these incentives to foster resilient domestic supply chains and bolster U.S. competitiveness while creating tens of thousands of good-paying, union construction, high skilled manufacturing, and STEM jobs.<sup>1</sup> In the 1990s, the United States produced 37 percent of the world's semiconductors. Today, only 12 percent of chips are produced domestically, following decades of offshoring and declining manufacturing. As the U.S. government invested less in its industry and workforce, others, including China, Japan, South Korea, and the European Union, outpaced U.S. investment. The large subsidies and lower labor costs companies enjoyed came at the expense of American workers and their wages. President Biden's Executive Order on CHIPS Act implementation directs the Commerce Department to "generate well-paying, high-skilled union jobs for a broad range of stakeholders and communities."<sup>2</sup>

Given the capital required and the President's directive, a worker-centered focus is critical to delivering on the CHIPS and Science Act's promise of rebuilding the semiconductor industry. The regeneration of this industry must create binding and enforceable agreements based on high road labor practices and establish worker protection benchmarks to ensure the creation of good jobs and to ensure quality, skilled work without disruption. Therefore, we ask that Commerce give priority consideration to applications for the CHIPS for America program and the concurrent Notice of Funding Opportunity that:

1. Guarantee meaningful engagement with labor stakeholders by establishing workforce training and equity programming for semiconductor production through local and regional sector enterprises that utilize recognized labor-management partnerships
2. Ensure the use of Project Labor Agreements (PLA) for each applicant for construction contracts of semiconductor fabrication plants and their inclusion of registered apprenticeship and apprenticeship readiness programs in each PLA, as appropriate.

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<sup>1</sup> "The 2022 SIA Factbook: Your Source for Semiconductor Industry Data." Semiconductor Industry Association. 5 May 2022.

<https://www.semiconductors.org/the-2022-sia-factbook-your-source-for-semiconductor-industry-data/>

<sup>2</sup> "Fact Sheet: President Biden Signs Executive Order to Implement the Chips and Science Act." The White House. United States Government, 25 August 2022. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/25/fact-sheet-president-biden-signs-executive-order-to-implement-the-chips-and-science-act-of-2022/>

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3. Require companies to make binding, enforceable commitments to job quality and worker protection for semiconductor manufacturing facilities that establish workplace standards for production, research, and development jobs, build workforce development partnerships with unions, and meaningfully engage with union stakeholders throughout the process.
4. Require funding recipients to permit their workers to create worker-led health-and-safety committees to ensure accountability and safety in the production process.
5. Dedicate sufficient funding to upstream suppliers, including unionized facilities, when possible, in mineral processing, industrial gasses, silicon production, and legacy chips to support domestic manufacturing for automakers, aerospace, and defense, and next generation chip production.
6. Utilize non-recourse loans or flexible lending arrangements to de-risk investment for upstream commodity producers.
7. Prioritize projects that reinforce the domestic manufacturing supply chain by utilizing and partnering with downstream purchasers and create high-quality, good-paying, union jobs.
8. Collect data from applicants to the CHIPS program to prioritize investments in companies that source and purchase domestically and create high-quality, good-paying, union jobs.
9. Include strong accountability language, including prohibitions on CHIPS recipients from investing in or expanding manufacturing in China and prohibitions on using CHIPS investments for stock buybacks or dividends, and call for a claw back of a percentage of grants if job creation, job quality, and worker protection metrics outlined in applications are not met.
10. Commit to provide the Department with robust and reliable data on job creation and job quality directly resulting from federal assistance, including: the total number of jobs created by job category, title, or occupation, including full time and part time new hires, wages (by job category, title, or occupation); efforts by the company to ensure hiring, retention, and pathways into good jobs for individuals underrepresented in manufacturing, design, and R&D; and any other information the Department determines necessary to assess compliance with quality job creation commitments and goals made by the applicant. The Department should share data with Congress to ensure recipients adhere to job quality standards, worker protection plans, and prevent waste, fraud, and abuse of taxpayer funds.

By establishing robust labor conditions, the Biden Administration can be at the forefront of supporting a new generation of high-paying, skilled union jobs to strengthen local economies. According to the Department of Labor, unions improve pay, conditions, and benefits for both union and non-union workers.<sup>3</sup> Nevertheless, non-unionized workers typically earn 17 percent less than workers with union representation. Additionally, young workers, many of them women and people of color, struggle to attain the training and education necessary for these high-skilled jobs. That is why pre-apprenticeship, Career and Technical Education (CTE), registered apprenticeship, nationally recognized training standards, labor-management programs, and union training programs will be critically important to building this diverse and skilled workforce.

A strong labor market in semiconductor production, research, and development is crucial for successful domestic manufacturing. By creating a robust domestic supply chain, The CHIPS Act will improve US competitiveness and our national security needs. Commerce has broad statutory authority and should use this authority to determine appropriate semiconductor fabrication and supply chain investments.

In October 2022, the Biden Administration issued a series of export controls targeting China's capacities to build advanced semiconductors to counter China's weapons development and surveillance capabilities.<sup>4</sup>

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<sup>3</sup> "The Union Advantage." U.S. Department of Labor. 2023.

<https://www.dol.gov/general/workcenter/union-advantage#:~:text=Unions%20raise%20wages%20for%20all.%241%2C169%2Fweek>

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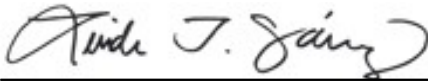
We applaud the Administration’s decision to impose these export restrictions, as a two-pronged approach is necessary to implement the CHIPS Act successfully. One of Commerce’s four CHIPS for America Fund goals is to guarantee a “sufficient, sustainable, and secure supply of older and current generation chips for national security purposes and for critical manufacturing industries.”<sup>5</sup>Export controls that restrict China’s ability to purchase and manufacture high-end chips support the growth of strong job-creating American industries that reduce the United States’ reliance on imports from China.

American scientists and engineers invented the semiconductor. American workers were at the forefront of semiconductor manufacturing. Over the past two years, the US has faced critical supply bottlenecks, creating significant economic and national security concerns.

The Department of Commerce has the opportunity and responsibility to prioritize a rapid return to domestic manufacturing to prevent subsequent shortages and create good jobs, innovation, and robust domestic supply chains.<sup>6</sup> Companies must also pay the industry standard with benefits. American workers deserve the right to care for their families and retire with dignity and financial security. The CHIPS and Science Act gives America a once-in-a-generation opportunity to live up to that promise.

Thank you for your attention to this critical issue. We look forward to your response.

Sincerely,



Linda T. Sánchez  
Member of Congress



Bill Pascrell, Jr.  
Member of Congress



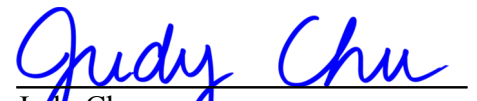
Gwen S. Moore  
Member of Congress



Brian Higgins  
Member of Congress



Daniel T. Kildee  
Member of Congress



Judy Chu  
Member of Congress

<sup>4</sup> “Commerce implements new export controls on advanced computing and semiconductor manufacturing items to the People’s Republic of China (PRC).” Bureau of Industry and Security. 7 October 2022.

<https://www.bis.doc.gov/index.php/documents/about-bis/newsroom/press-releases/3158-2022-10-07-bis-press-release-advanced-computing-and-semiconductor-manufacturing-controls-final/file>


<sup>5</sup> “A Strategy for the CHIPS for America Fund.” U.S. Department of Commerce. 6 September 2022.


<https://www.nist.gov/system/files/documents/2022/09/13/CHIPS-for-America-Strategy%20%28Sept%20%2C%202022%29.pdf>


<sup>6</sup> Williams, Alex. “A Brief History of Semiconductors: How the US cut costs and lost the leading edge.” Employ America. 1 June 2022.

<https://www.employamerica.org/researchreports/a-brief-history-of-semiconductors-how-the-us-cut-costs-and-lost-the-leading-edge/>


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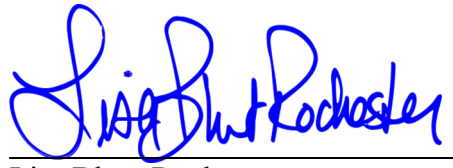
  
Suzanne Bonamici  
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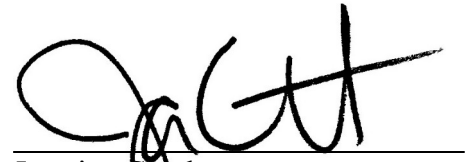
  
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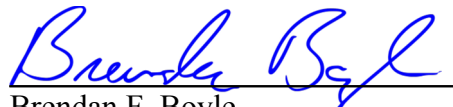
  
Henry Cuellar  
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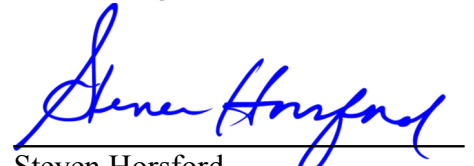
  
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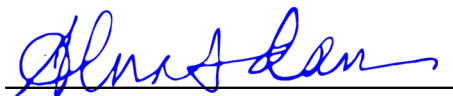
  
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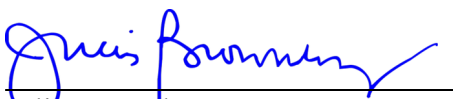
  
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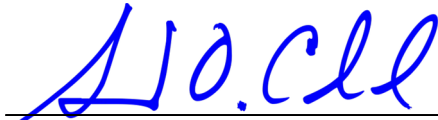
  
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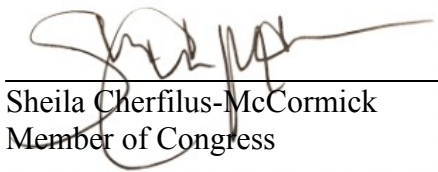
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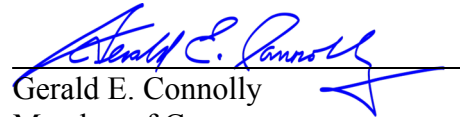
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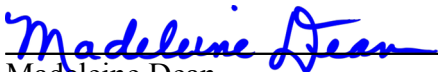
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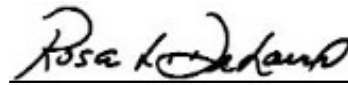
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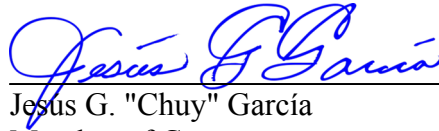


Bill Foster  
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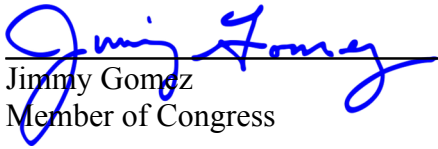
John Garamendi  
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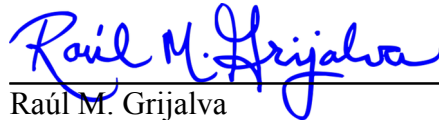
Jesus G. "Chuy" Garcia  
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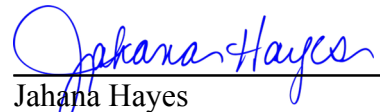
Sylvia R. Garcia  
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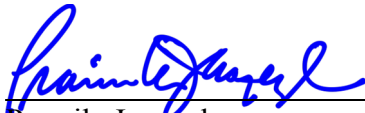
Jimmy Gomez  
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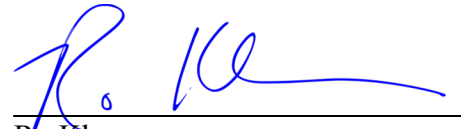
Jahana Hayes  
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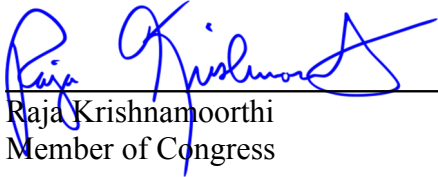
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Andy Kim  
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Ro Khanna  
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Raja Krishnamoorthi  
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Ann McLane Kuster  
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Rick Larsen  
Member of Congress



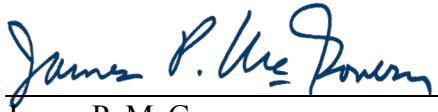
Ted W. Lieu  
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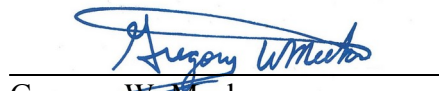
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Betty McCollum  
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Gregory W. Meeks  
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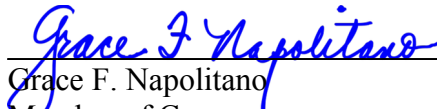


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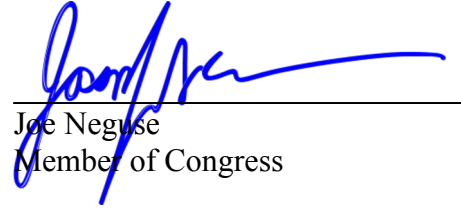
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Seth Moulton  
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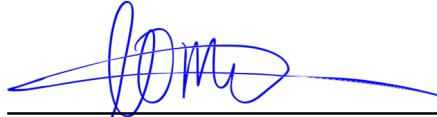
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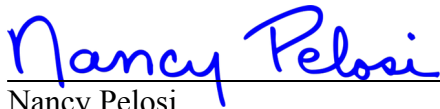
Alexandria Ocasio-Cortez  
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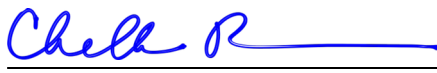
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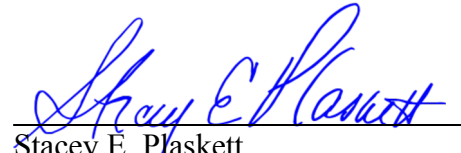
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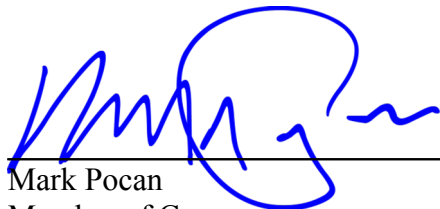
Nancy Pelosi  
Member of Congress



Chellie Pingree  
Member of Congress



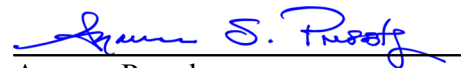
Stacey E. Plaskett  
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Mark Pocan  
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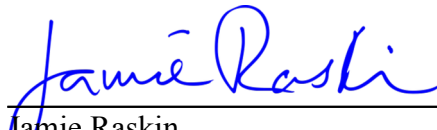
Katie Porter  
Member of Congress



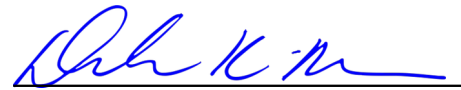
Ayanna Pressley  
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Deborah K. Ross  
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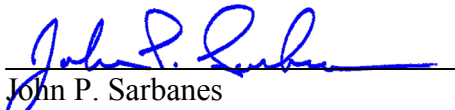


C. A. Dutch Ruppertsberger  
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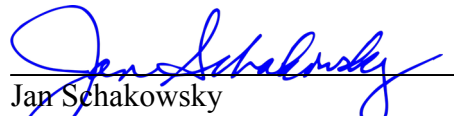
Patrick K. Ryan  
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John P. Sarbanes  
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Jan Schakowsky  
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Kim Schrier, M.D.  
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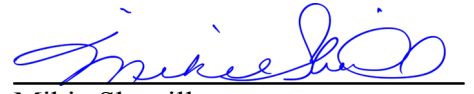
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Robert C. "Bobby" Scott  
Member of Congress




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Brad Sherman  
Member of Congress



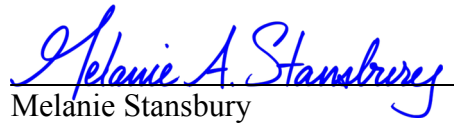
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Mikie Sherrill  
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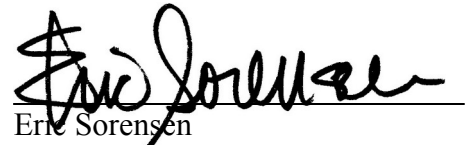
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Adam Smith  
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Melanie Stansbury  
Member of Congress




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Eric Sorensen  
Member of Congress



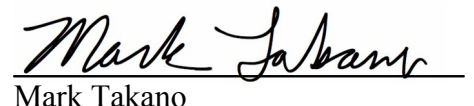
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Marilyn Strickland  
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Haley M. Stevens  
Member of Congress



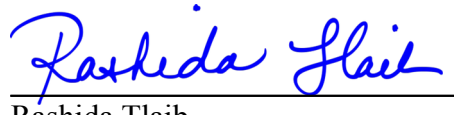
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Mark Takano  
Member of Congress



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Dina Titus  
Member of Congress



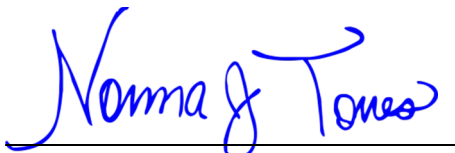
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Rashida Tlaib  
Member of Congress



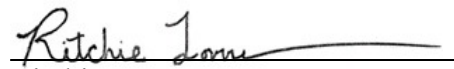
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Paul D. Tonko  
Member of Congress



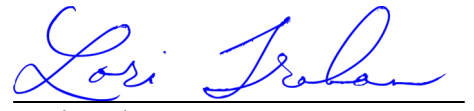
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Norma J. Torres  
Member of Congress



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Ritchie Torres  
Member of Congress




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Lori Trahan  
Member of Congress



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Washington, DC 20515



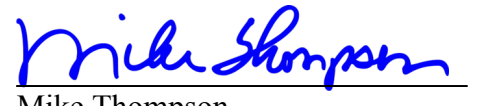
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David J. Trone  
Member of Congress



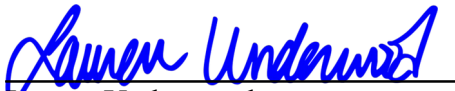
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Bennie G. Thompson  
Member of Congress



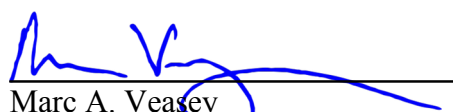
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Mike Thompson  
Member of Congress



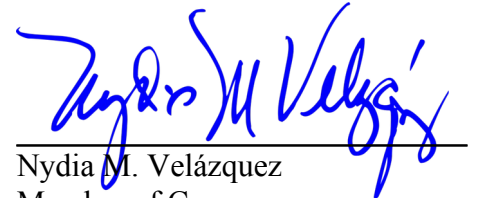
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Lauren Underwood  
Member of Congress



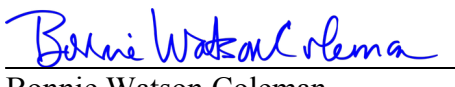
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Marc A. Veasey  
Member of Congress



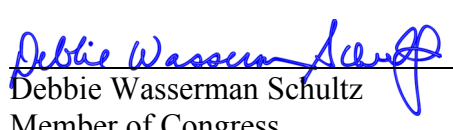
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Nydia M. Velázquez  
Member of Congress



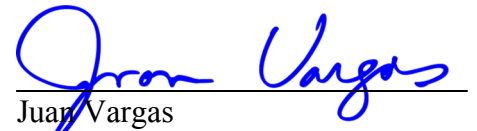
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Bonnie Watson Coleman  
Member of Congress




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Debbie Wasserman Schultz  
Member of Congress



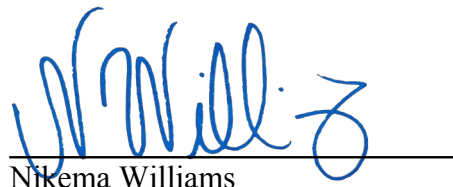
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Juan Vargas  
Member of Congress



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Eleanor Holmes Norton  
Member of Congress



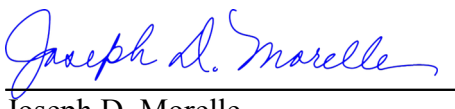
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Nikema Williams  
Member of Congress



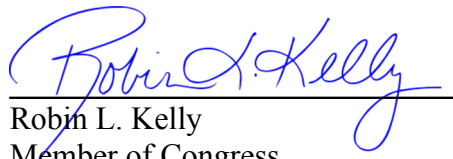
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Robert Garcia  
Member of Congress



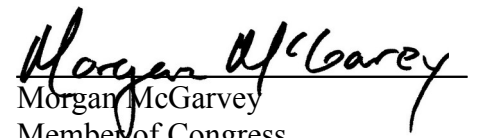
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Joseph D. Morelle  
Member of Congress



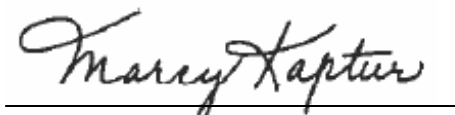
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Robin L. Kelly  
Member of Congress



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Morgan McGarvey  
Member of Congress



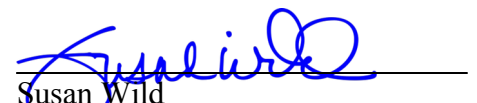
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Marcy Kaptur  
Member of Congress



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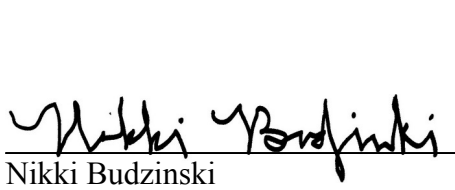
Darren Soto  
Member of Congress

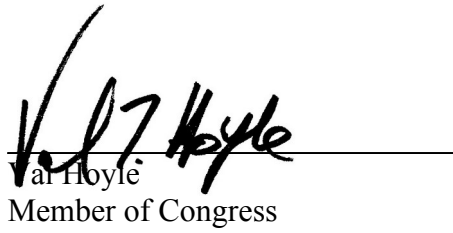


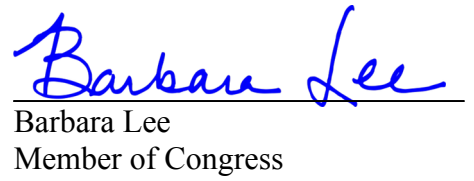
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Susan Wild  
Member of Congress

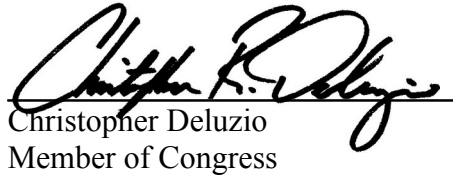
Congress of the United States  
Washington, DC 20515

  
Nikki Budzinski

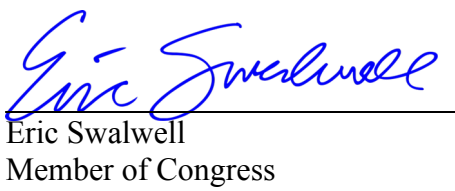
  
Val Hoyle  
Member of Congress

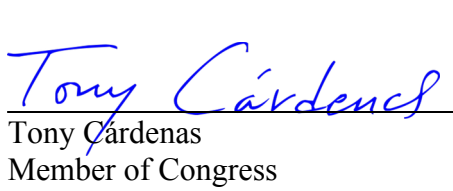
  
Barbara Lee  
Member of Congress

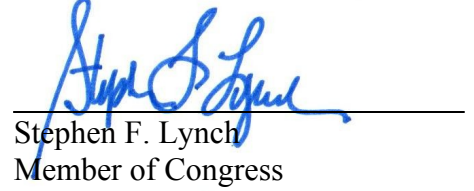
  
Jim Tokuda  
Member of Congress

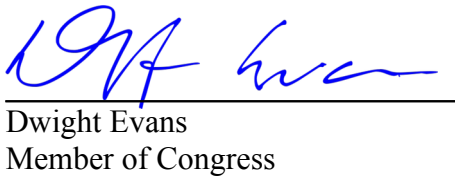
  
Christopher Deluzio  
Member of Congress

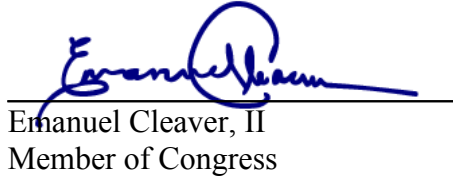
  
Brittany Pettersen  
Member of Congress

  
Eric Swalwell  
Member of Congress

  
Tony Cardenas  
Member of Congress

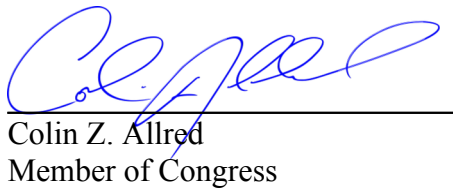
  
Stephen F. Lynch  
Member of Congress

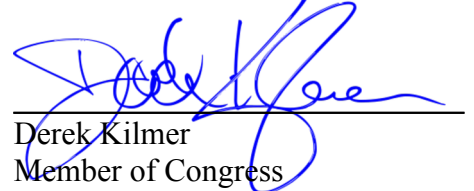
  
Dwight Evans  
Member of Congress

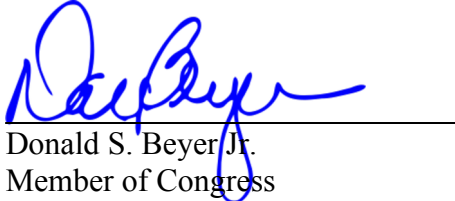
  
Emanuel Cleaver, II  
Member of Congress

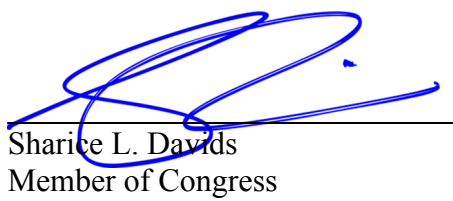
  
Elissa Slotkin  
Member of Congress

  
Angie Craig  
Member of Congress

  
Colin Z. Allred  
Member of Congress

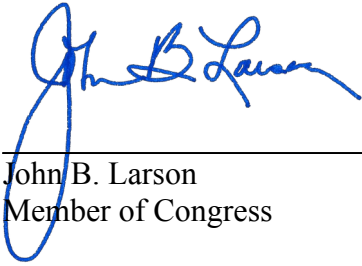
  
Derek Kilmer  
Member of Congress

  
Donald S. Beyer Jr.  
Member of Congress

  
Sharice L. Davids  
Member of Congress

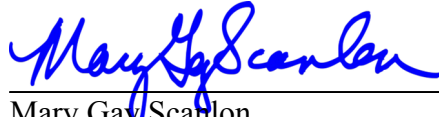
  
Ruben Gallego  
Member of Congress

Congress of the United States  
Washington, DC 20515



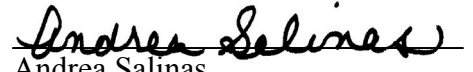
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John B. Larson  
Member of Congress



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Mary Gay Scanlon  
Member of Congress



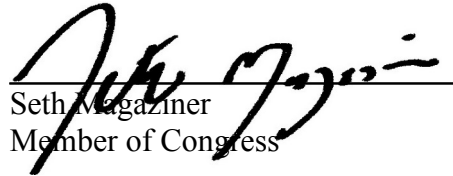
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Andrea Salinas  
Member of Congress



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Mark DeSaulnier  
Member of Congress



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Seth Magaziner  
Member of Congress



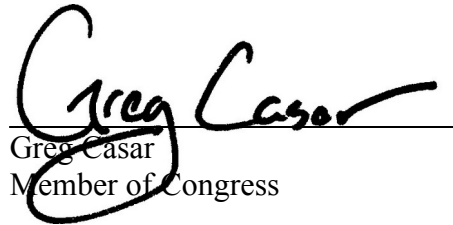
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Bradley Scott Schneider  
Member of Congress



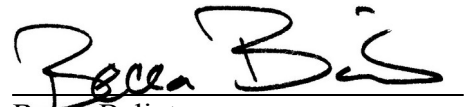
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Donald M. Payne, Jr.  
Member of Congress



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Greg Casar  
Member of Congress



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Becca Balint  
Member of Congress



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Abigail Davis Spanberger  
Member of Congress



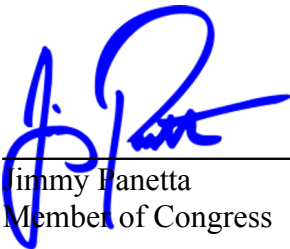
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Doris Matsui  
Member of Congress



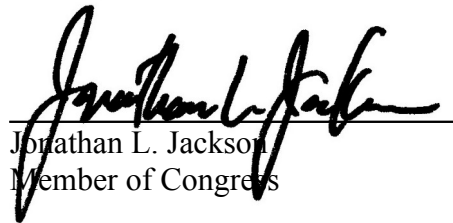
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Kathy Castor  
Member of Congress



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Jimmy Panetta  
Member of Congress



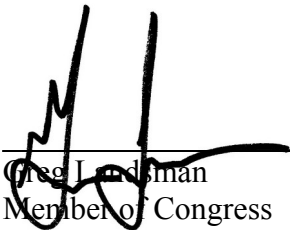
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Jonathan L. Jackson  
Member of Congress



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Al Green  
Member of Congress



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Greg Landsman  
Member of Congress



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Mike Levin  
Member of Congress



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Brian K. Fitzpatrick  
Member of Congress

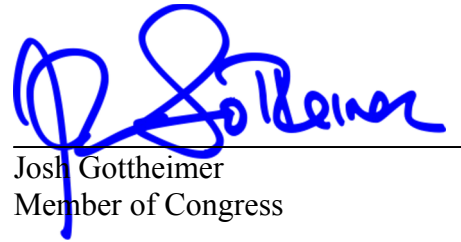
Congress of the United States  
Washington, DC 20515



Matt Cartwright  
Member of Congress



Troy Carter  
Member of Congress



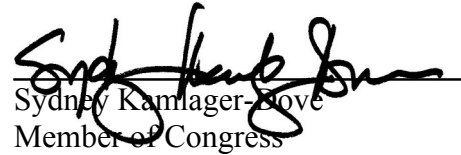
Josh Gottheimer  
Member of Congress



Frederica S. Wilson  
Member of Congress




Susie Lee  
Member of Congress



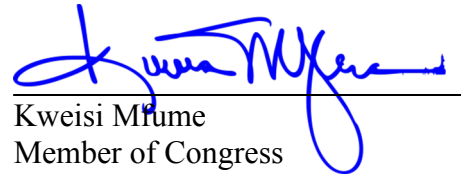
Sydney Kamlager-Grove  
Member of Congress



Jared Huffman  
Member of Congress



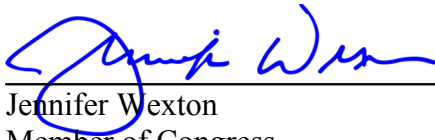
Josh Harder  
Member of Congress



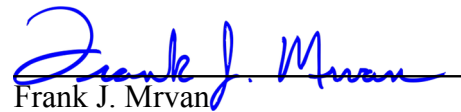
Kweisi Mfume  
Member of Congress



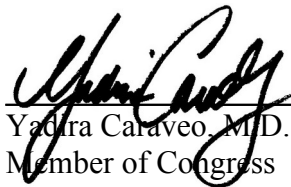
Dan Goldman  
Member of Congress



Jennifer Wexton  
Member of Congress



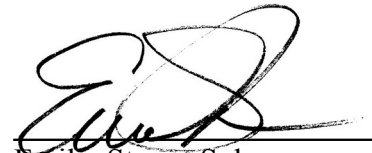
Frank J. Mrvan  
Member of Congress



Yadira Caraveo, M.D.  
Member of Congress



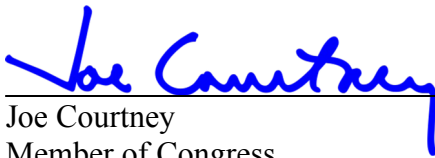
Robert J. Menendez Jr.  
Member of Congress



Emilia Strong Sykes  
Member of Congress



Shri Thanedar  
Member of Congress



Joe Courtney  
Member of Congress

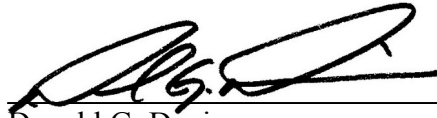


Jared Moskowitz  
Member of Congress

Congress of the United States  
Washington, DC 20515



Vicente Gonzalez  
Member of Congress



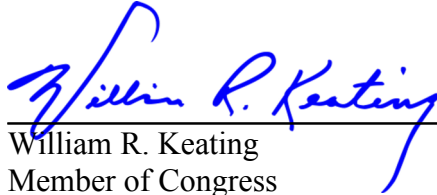
Donald G. Davis  
Member of Congress



Scott H. Peters  
Member of Congress



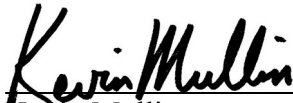
David Scott  
Member of Congress



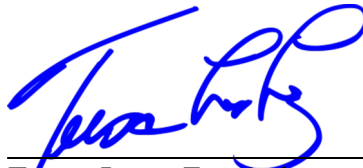
William R. Keating  
Member of Congress



Diana DeGette  
Member of Congress



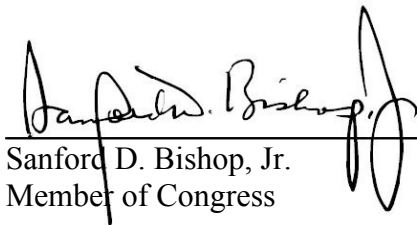
Kevin Mullin  
Member of Congress



Teresa Leger Fernandez  
Member of Congress



Jim Himes  
Member of Congress




Sanford D. Bishop, Jr.  
Member of Congress



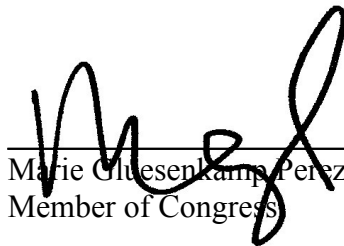
Hillary J. Scholten  
Member of Congress



Lucy McBath  
Member of Congress



Jake Auchincloss  
Member of Congress



Marie Gluesenkamp Perez  
Member of Congress



Maxwell Frost  
Member of Congress

cc: Mr. Michael Schmidt, Director, CHIPS Program Office, National Institute for Standards and Technology  
Mr. Jake Sullivan, Assistant to the President for National Security Affairs, The White House  
Mr. Ronnie Chatterji, White House Coordinator for CHIPS Implementation, The White House