

REFORM EXPORT CONTROLS, DOUBLE EXPORTS, CREATE JOBS

U.S. Export Controls Hurts U.S. Security and Economic Interests.

The National Academies report, *Beyond Fortress America*, concludes that “The export controls and visa regulations that were crafted to meet conditions the United States faced over five decades ago now quietly undermine our national security and our national economic wellbeing,” noting that a system designed for the Cold War when the U.S. was the dominant economic power is ill suited to today’s security challenges and global economy.¹ SIA applauds the Administration’s review of the U.S. export control system, and is eager to work with the government to reform this system.

SIA Urges the Administration to Reform U.S. Export Controls by:

- Advancing fundamental reform of controls on encryption exports to remove needless barriers to the export of commercial, civilian semiconductor devices that increasingly include embedded encryption. This can be accomplished by exempting from export controls products that are mass marketed or otherwise widely available, or that do not contain encryption as a primary function.
- Establishing a workable license exception for intra-company transfers of technology and products that takes account of national security interests while removing unnecessary burdens on the global operations of U.S. companies, whether related to deemed or actual exports.
- Implementing a permanent solution to prevent U.S. munitions controls on civilian microelectronic devices that approach radiation hardened parameters due to ongoing technology advances.
- Protecting civilian, general purpose semiconductor devices from classification on the U.S. munitions list by following the statutory intent that devices be “specifically designed” and not just “capable of” meeting list parameters.

1. Committee on Science, Security, and Prosperity; Committee on Scientific Communication and National Security; National Research Council; **Beyond**

KEY FACTS

- Semiconductors are America’s second largest export.
- 81 % of U.S. semiconductor sales are outside the U.S.
- China is the largest semiconductor market in the world.

“So tonight, we set a new goal: We will double our exports over the next five years, an increase that will support two million jobs in America. To help meet this goal, we’re launching a National Export Initiative that will help farmers and small businesses increase their exports, and reform export controls consistent with national security.”

*President Obama
State of the Union
January 27, 2010*

“While the United States remains a world leader in advanced science and technology, it no longer dominates; it is now among the leaders. We are increasingly interdependent with the rest of the world. ... Instead of promoting engagement, the United States is required by our current system of controls to turn inward.”

*National Academies
“Beyond ‘Fortress America’”*

AMERICA NEEDS THE WORLD'S BEST AND BRIGHTEST INNOVATORS

Foreign-Born Innovators are Critical to Solving National Challenges

America has long enjoyed a competitive advantage in the global economy by being a magnet for the best and brightest innovators from around the world.

Foreign-born innovators helped launch America's space program, have founded some of the most dynamic U.S. companies, and are net job creators. Foreign nationals represent a large percentage of the science and engineering graduates that will be key in solving national challenges such as energy, health care, and national security.

A highly educated workforce is the principal anchor for high-tech business investment in a world where talent and capital are available globally. Foreign nationals represent half of the masters' degrees and over 2/3 of the PhDs granted from U.S. universities in electrical engineering, the lifeblood of the semiconductor industry.

America's Immigration System: A Competitive Disadvantage

Congress has failed to reform the employment-based (EB) green card and H-1B visa systems that U.S. employers use to recruit and retain top worldwide talent. The broken green card system causes employees to spend years in limbo, unable to be promoted or relocated without restarting the process. Over 3,700 H-1Bs in the semiconductor industry seek permanent resident status, and over 500 applicants have been waiting for 4 years or more. The result is that America is less welcoming to the world's best and brightest at a time when other countries are increasing their efforts to attract these individuals.

The SIA has reached agreement with the Institute of Electrical and Electronics Engineers – U.S.A. (IEEE-USA) to (SIA) on permanent, employment-based immigration reform. Media stories often highlight our organizations' different positions on temporary visa programs, but to move forward we believed it was important for parties with different viewpoints to come together and seek common understanding, and we urge Congress to do the same.

SIA Calls Upon Congress To Bolster U.S. Innovation Through High-Skilled Immigration Reform

Congress must:

- Exempt graduates with advanced STEM degrees from U.S. universities from the EB green card cap to allow U.S. employers to retain foreign-born employees already working in America; and
- Streamline the path from student to permanent resident to allow U.S. companies to access key talent, particularly individuals educated at U.S. universities.

KEY FACTS

- Foreign nationals represent half of the masters' degrees and over 2/3 of the PhDs in electrical engineering granted from U.S. universities.
- Massive backlogs in the permanent resident, EB green card system leave some professionals waiting six to 10 years. The Kauffman Foundation estimated that over a million highly educated people are waiting for green cards, yet only 120,000 are available annually.

"And we should continue the work of fixing our broken immigration system -- to secure our borders and enforce our laws, and ensure that everyone who plays by the rules can contribute to our economy and enrich our nation."

President Obama
State of the Union
January 27, 2010