

FOR IMMEDIATE RELEASE

Semiconductor Industry Association
For additional information contact:
John Greenagel 408.436.6600
mailbox@sia-online.org

End of an Era: Bell Labs Halts Basic Research***SIA: Bell Labs Launched Microelectronics Industry***

San Jose, CA - September 8, 2008 - "It is impossible to overstate the historical importance of Bell Labs and the role it played in launching the microelectronics industry," said George Scalise, president of the Semiconductor Industry Association (SIA). "The invention of the transistor at Bell Labs 61 years ago launched an industry that will surpass \$265 billion in global sales this year. The recent announcement that Bell Labs will cease research in basic science and material physics marks the end of an era."

"The ground rules for basic research at Bell Labs changed in 1984 with a court-ordered break-up of AT&T," Scalise continued. "Today, most corporate research and development activities focus on development of new products and technologies that can be commercialized within five years."

Scalise said there will be no going back to the old model for industry-sponsored basic research. "Today most basic research in physics and materials science is carried out at universities with funding provided by the federal government and private industry. The announcement that Bell Labs will no longer do basic research underscores once again the vital importance of increasing federal funding for basic research at universities and the national laboratories," Scalise concluded. SIA has called for a doubling of federal funding of basic research by the National Science Foundation (NSF), the National Institute of Standards and Technology (NIST), and the Department of Energy's Office of Science over a ten-year period.

Scientists from Bell Labs won six Nobel Prizes in Physics between 1937 and 1998. Researchers at Bell Labs invented the solid-state transistor in 1947 and the laser in 1958. Research in fundamental physics at Bell Labs made numerous contributions to the development of the integrated circuit and advances in microchip technology.

About the SIA

The SIA is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. Collectively, the chip industry employs a domestic workforce of 216,000 people. More information about the SIA can be found at www.sia-online.org.