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**Semiconductor Industry Association Welcomes Announcement of House
Economic Recovery Package**

Plan will provide economic stimulus while improving U.S. competitiveness

Washington, DC – January 15, 2009 -- “The House economic recovery package announced today will provide an immediate economic stimulus while enhancing American long-term competitiveness by upgrading our nation’s critical research infrastructure at universities and the national labs,” said SIA President George Scalise. “We also welcome the provisions to apply technology to improve energy efficiency, education, health care, and the electrical grid as well as to expand broadband access for all Americans.”

“We thank President-elect Obama, Speaker Pelosi, Chairman Obey, Chairman Rangel, and Chairman Gordon for their leadership on this package and look forward to working towards bipartisan passage,” Scalise concluded.

The American Recovery and Reinvestment Act of 2009 includes substantial funding that can stimulate semiconductor sales in the short term and strengthen America’s competitiveness in the long run, specifically:

- Energy: \$54 billion in energy projects which include \$11 billion for the Smart Grid Investment Program to modernize the electricity grid; \$8 billion for renewable energy power generation and transmission project loans; \$6 billion focused on increasing energy efficiency in Federal buildings; \$8.4 billion to help make state and local governments, school districts, universities, and utilities more energy efficient; \$2 billion for energy efficiency and renewable energy R&D, demonstration, and deployment activities; \$300 million for consumer rebates on Energy Star appliances; \$200 million for a new grant program to encourage electric vehicle technologies; and \$500 million for energy efficient manufacturing demonstration projects.

- Broadband: \$6 billion for broadband and wireless services in underserved areas.
- Scientific Research: \$3 billion at the National Science Foundation -- including \$2 billion for fundamental science and engineering research, \$900 million for new research facilities, major research equipment, and repair of university research facilities, and \$100 million to improve instruction in science, math and engineering. \$1.9 billion for basic research into the physical sciences at the Department of Energy. \$400 million for the National Institute of Standards and Technology for competitive construction grants for research buildings at universities, and to coordinate research efforts of laboratories and national research facilities by setting interoperability standards for manufacturing, and \$100 million for the NIST Technology Innovation Program and Manufacturing Extension Partnerships programs.
- Health Information Technology: \$20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- Education: \$80 billion for states, universities, and local school districts to prevent education cutbacks, support disadvantaged and special education students, and modernize and repair schools; \$15.6 billion to increase the maximum Pell Grant awards; and \$6 billion for higher education modernization.

The economic recovery package also includes tax provisions that may be of particular value as a stimulus to the semiconductor industry depending on the details of the provisions. These provisions include bonus depreciation, extension of increased small business expensing, energy tax incentives, and health information technology incentives. The tax proposal to assist companies with net operating losses can be improved by also allowing companies with unused Alternative Minimum Tax (AMT) payment credits to monetize their credits through direct stimulus payments or reductions in payroll taxes and other liabilities. This allows these companies to drive investment now when it is most needed instead of much later when companies are in a position to redeem their AMT credits according to current rules.

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 approximately 200,000 people. The semiconductor industry is America's second-largest exporting industry. More information about the SIA can be found at www.sia-online.org.