

FOR IMMEDIATE RELEASE

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

**SIA Supports USTR Call for Dispute Panel to Investigate
EU Tariffs on High-Tech Products**

San Jose, CA – August 19, 2008 -- The Semiconductor Industry Association (SIA) applauded actions taken by the Office of the United States Trade Representative (USTR) yesterday to pursue tariff-free trade in high-technology products. The products in question have been duty-free since the implementation of the Information Technology Agreement (ITA) in 1997. USTR Ambassador Susan Schwab acted in conjunction with her counterparts from Japan and Chinese Taipei in requesting that the World Trade Organization (WTO) establish a dispute settlement panel to review actions by the EU to limit duty-free treatment for high technology products covered by the Information Technology Agreement (ITA).

“It is unfortunate that a dispute settlement panel had to be requested in this case,” said SIA President George Scalise. “The facts clearly indicate that the EU is inappropriately limiting duty-free treatment for high-tech products covered by ITA. These tariffs put foreign suppliers, including U.S. chipmakers at a competitive disadvantage while raising prices for consumers. U.S. chipmakers account for about fifty percent of worldwide chip sales. The majority of our manufacturing capacity is here, while seventy-five percent of our customers are outside the U.S.,” Scalise added.

“The path to success in the high technology arena is not through protection of home markets and favored producers, but through investment in innovation,” Scalise noted.

A WTO dispute resolution panel is the next step in the WTO dispute settlement process, if consultations have failed to yield a result. The panel’s purpose will be to determine whether the EU is acting consistently with its WTO obligations.

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.