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**SEMICONDUCTOR INDUSTRY ASSOCIATION SAYS CONGRESSIONAL ACTION
URGENTLY NEEDED TO EXTEND R&D TAX CREDIT**

--Current credit will expire at year end--

San Jose, Calif., – December 5, 2007 – The Semiconductor Industry Association (SIA) today called for urgent action by Congress to extend the R&D tax credit. The tax credit will expire on December 31, 2007.

“At a time when other countries are stepping up efforts and enhancing incentives to attract R&D activities, it is inexcusable that we could allow the U.S. R&D tax credit to expire,” said SIA President George Scalise. “R&D is the lifeblood of the semiconductor industry on which manufacturers spend billions of dollars annually. Today most of this money is spent in the U.S., but other countries have recognized the value of attracting R&D facilities. Semiconductor technology is advancing rapidly, and the advantages of proximity between R&D and manufacturing activities are becoming more important. Where companies do R&D work can have a major influence on where they locate multi-billion manufacturing facilities.”

Scalise noted that the semiconductor industry employs approximately 232,000 people in the United States. “The R&D tax credit is essentially about U.S. jobs,” said Scalise, “because that is how the credit is calculated.” More than 75 percent of credit dollars are earned on wages paid to people working in high-skilled, high-paying R&D jobs. U.S.-based semiconductor manufacturers have a 46 percent share of the world’s \$257 billion microchip market. Semiconductors are the second-largest exporting industry in the U.S.

“For nearly 60 years, U.S. leadership in technology has been vital to increasing the productivity of American workers, improving our standard of living, enhancing the quality of life, and ensuring our national security. Extension and enhancement of the R&D tax credit has broad bipartisan support, and we strongly encourage action to ensure that this vital provision will not expire at the end of this year,” Scalise concluded.

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 232,000 people. More information about the SIA can be found at www.sia-online.org.