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SIA: Lots of Rhetoric but Little Action on Bipartisan Competitiveness Agenda

San Jose, CA – December 18, 2007 -- “A year that started with great promise of bipartisan action to enhance American competitiveness in the global economy appears about to end with no significant action on any of the key elements,” said Semiconductor Industry Association (SIA) President George Scalise. “To say that we are keenly disappointed would be a huge understatement.”

The SIA noted that President Bush and the Democratic leadership in the House of Representatives both made strong commitments to increasing funding for basic research, reforming visa programs to ease the hiring of the best and brightest foreign-born scholars with advanced degrees in science, technology, engineering, and mathematics, and modernizing and extending the R&D tax credit. “Both Congress and the Administration have taken bows for their strong commitment to enhancing U.S. competitiveness and innovative capabilities, but the rhetoric has greatly outstripped the action,” Scalise continued.

“While Congress recently passed and President Bush signed the ‘America COMPETES Act,’ these actions mean little without an actual appropriation to fund the programs it authorizes. Current spending bills drastically shortchange research funding for the National Science Foundation (NSF), the National Institute for Science and Technology (NIST), and the Department of Energy,” Scalise said. NSF and NIST both play critical roles in the Nanoelectronics Research Initiative which supports cutting-edge basic research in collaboration with industry and universities.

SIA noted that without action this week, funding for basic research at universities and the national laboratories will fall far short of the levels promised by the President and the House leadership; U.S. companies will continue to be disadvantaged in the competition to hire the best and brightest foreign-born graduates from American universities; and the R&D tax credit will expire on December 31, 2007.

“Our competitors in the global economy are poised to seize the opportunities presented by our inaction on these critical concerns,” Scalise said. “Other countries and regions have put in place generous incentives to attract investment, including cash grants, tax holidays, and liberal R&D tax credits. Competitors are also seeking to build world-class research universities and funding basic research in nanotechnology. The U.S. still enjoys a lead in technology, but leadership is not a birthright – it must be earned through action.

“This week we have been celebrating the 60th anniversary of the invention of the transistor – one of America’s greatest contributions to improving productivity and raising the standard of living throughout the world. The invention of the transistor did not happen in isolation. It was the result of a world-class workforce and a culture that encouraged investment in research and development. We need to replicate that model today if we want the invention of the next great world-changing technology to take place on our shores,” Scalise concluded.

About 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 233,000 people. More information about the SIA can be found at www.sia-online.org.