



September 20, 2022

The Honorable Joseph R. Biden Jr.
President of the United States of America
The White House
1600 Pennsylvania Ave, N.W.
Washington, DC 20500

Dear President Biden:

On behalf of U.S. electronics manufacturers, we to urge you to issue a Presidential Determination on printed circuit boards (PCBs) and integrated circuit (IC) substrates pursuant to the Section 303 of the Defense Production Act. It is critically important to address this industrial base vulnerability to safeguard the nation's defense and technological leadership. The U.S. electronics manufacturing industry is ready to make the necessary investments once the Presidential Determination is issued and federal partnership, not offered through the CHIPS Act, is made available.

For more than 20 years, experts in and out of government have warned that the erosion of U.S. PCB capabilities and capacity would compromise national and economic security. These warnings have proven all too accurate as the U.S. now grapples with an alarming reality. Today, the U.S. share of global PCB production has fallen from 30 to 4 percent, making the nation precariously reliant on a global supply chain that is itself in turmoil. The risks associated on an overreliance on the global supply chain were made apparent during the COVID pandemic. The U.S. Government was hard-pressed to catalyze the manufacture of emergency medical equipment given the offshoring of high-volume PCB fabrication largely to Asia.

Your Administration validated this industrial base concern in February 2022, when the Departments of Commerce and Homeland Security issued their assessment of the information and communications technology (ICT) supply chain pursuant to Executive Order 1401. This assessment highlighted the critical importance of PCB fabrication and assembly in electronics manufacturing, as well as the significant risks that exist to the long-term viability of the industry. The report recommended that government programs, like Title III, be used to address these risks and bolster the global economic competitiveness of U.S. PCB manufacturers.

We commend your administration for its decision to highlight the PCB industry in its year-long assessment of the ICT supply chain. Doing so reflects a renewed commitment on the part of the federal government to understand the electronics manufacturing ecosystem and its role in driving technological innovation and supply chain resiliency and security.

Supporting this ecosystem is important to the implementation of the CHIPS Act as well. The domestic fabrication of IC substrates, which are essentially technologically advanced PCBs, is a critical component in semiconductor advanced packaging. Presently, there are no U.S. manufacturers that can produce the volume of IC substrates needed to support defense and commercial needs. The U.S., moreover, must

develop greater capabilities and capacities in IC substrate fabrication to meet the expected surge in chip production or risk lengthening the semiconductor supply chain by sending U.S.-made chips to those countries that can make the most cutting-edge IC substrates.

In short, every chip that is manufactured must be “packaged” with an IC Substrate and that chip package must be integrated onto a PCB to create a fully functional electronic system. Chips don’t float! Issuing a Presidential Determination on PCBs and IC substrates, then, represents clear and decisive action to address a pressing national and economic security challenge. We ask that you to take this step to ensure that the U.S. industry is able to make the necessary investments to support a robust and innovative electronics manufacturing industry into the future.

Sincerely,



John Mitchell
President & CEO
IPC



Travis Kelly
Chairman
PCBAA



Chris Peters
Executive Director
USPAE