

**COUNTERING CHINA'S RISING INFLUENCE OVER
MICROCHIPS TO PROMOTE FAIR AND RESILIENT
COMPETITION:**

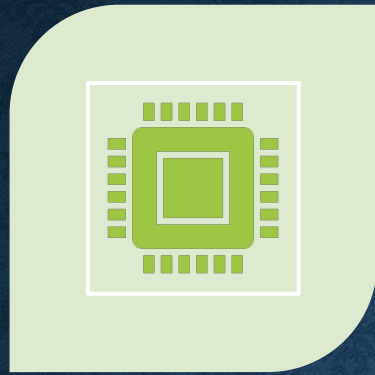
**REVITALIZING OUR NATIONAL PRODUCTION AND
INDEPENDENCE.**

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DRIVERS



CHINA IS BECOMING THE
DOMINANT LEADER IN THE
SEMICONDUCTOR INDUSTRY

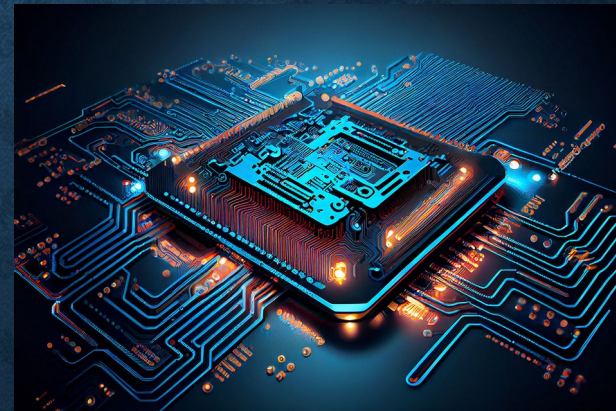


GROWING U.S DEPENDENCY ON
FOREIGN MICROCHIPS, WHICH
THREATENS ITS NATIONAL
SECURITY, RESILIENCE, AND
ECONOMIC PROSPERITY



INCREASING IMPORTANCE IN
STRATEGIC TECHNOLOGIES

- China uses various tactics such as intellectual property theft, forcing technology transfers, offering subsidies, and mobilizing state-owned enterprises
- **MAIN PRIORITY:** revitalize our national production and independence through increased domestic investment and innovation incentives.



OPTIONS



STRENGTHEN DOMESTIC SEMICONDUCTOR MANUFACTURING CAPABILITIES THROUGH INCREASED INVESTMENT AND INNOVATION INCENTIVES




ENHANCE INTERNATIONAL COLLABORATION AND ALLIANCES WITH KEY PARTNERS




IMPLEMENTING ROBUST INTELLECTUAL PROPERTY PROTECTIONS AND EXPORT CONTROLS



-  U.S public support + boost national workforce and R&D

- Foster innovation cooperation + reinforce talent exchanges

- Encourage key innovation from national firms

-  Inconsistent support from Congress + economic feasibility

- Opposing international strategies + rising populist parties

- China circumvents export controls + difficult to harmonize U.S. restrictions + adverse impacts on consumer prices and domestic industries



RECOMMENDATION

- Continue incentivizing foreign leading companies to invest their most advanced technology capabilities in the U.S
- Permit the co-production of sensitive technologies, promoting larger industrial cooperation and STEM talent exchanges with key partners
- Implement a clear reinforcement of our legal intellectual property framework

