

Congress of the United States
Washington, DC 20515

February 8, 2023

The Honorable William LaPlante
Under Secretary of Defense for Acquisition and Sustainment
3010 Defense Pentagon
Washington, DC 20301-3010

Dear Secretary LaPlante,

The COVID-19 pandemic and geopolitical tensions have demonstrated the fragility of our supply chains and exposed serious risks to our microelectronics sector, threatening U.S. national and economic security.¹ Thankfully, Congress took action to invest in our domestic semiconductor industry and strengthen our supply chains through the passage of the CHIPS and Science Act.² We also appreciate efforts by the Department of Defense (DoD) to address these vulnerabilities by allowing greater access to cutting edge, trusted semiconductors.³ However, semiconductor chip fabrication is only one aspect of our microelectronics sector. U.S. investments in semiconductor manufacturing will not provide greater security and resiliency without complementary initiatives to bolster the printed circuit board (PCB) and integrated circuit (IC) substrate-manufacturing base.

PCBs and IC substrates are critical elements of the microelectronics ecosystem. They are the foundation of all electronics, from consumer items to high-end national security systems. As production of PCBs and IC substrates has migrated to the Asia-Pacific over the last 20 years, the DoD has been forced to rely on foreign-made parts and components for critical end-uses. Today, China is the source of more than 50 percent of the PCBs imported into the United States.⁴ Congress passed provisions in the Fiscal Year 2021 National Defense Authorization Act to reduce DoD's overreliance on one country for PCBs, placing new sourcing restrictions and trusted supplier requirements for PCBs purchased by DoD.⁵

These critical steps are helpful but insufficient if the DoD is going to meet mission-critical needs while reducing its dependence on foreign manufactured microelectronics. The DoD must leverage all available resources, including the use of Title III of the Defense Production Act (DPA) to increase domestic production of PCBs and IC substrates. The recent presidential waiver of DPA requirements has cleared a path for DoD to take proactive steps to review and

¹ Ben Casselman and Ana Swanson, "Supply Chain Hurdles Will Outlast Pandemic, White House Says," *The New York Times*, April 14, 2022, <https://www.nytimes.com/2022/04/14/business/economy/biden-supply-chain.html>.

² Amy B. Wang and Marianna Sotomayor, "House passes bill to subsidize U.S.-made semiconductor chips in win for Biden," *Washington Post*, July 28, 2022, <https://www.washingtonpost.com/politics/2022/07/28/house-vote-semiconductor-chips-bill/>.

³ Summer Myatt, "DOD Microelectronics Director Talks Speeding Microelectronics Innovation to Unlock 'Must-Win' Technology," *ExecutiveBiz*, June 15, 2022, <https://blog.executivebiz.com/2022/06/dod-microelectronics-director-talks-speeding-microelectronics-innovation/>.

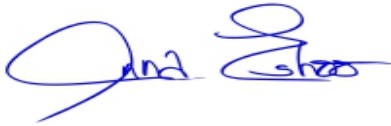
⁴ Joseph O'Neil, "Leadership Lost? Rebuilding the U.S. Electronics Supply Chain," IPC, January 2022.

⁵ Pub.L. 116-283.

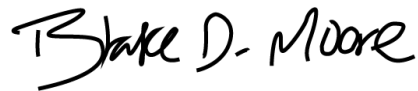
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execute on proposals that would increase domestic PCB and IC substrate manufacturing.⁶ We urge the DoD to act on this authority to bring the U.S. one-step closer to ensuring that its critical systems are made with electronics produced from trusted sources.

Sincerely,



Rep. Anna G. Eshoo
Member of Congress



Rep. Blake Moore
Member of Congress

⁶ Memorandum on Presidential Waiver of Statutory Requirements Pursuant to Section 303 of the Defense Production Act of 1950, as Amended, 87 F.R. 193 (October 3, 2022).