

Today's Discussion

Washington Forum:

- Review

SEMI Policy Agenda:

- Discuss key issue updates

Washington Forum

Washington Forum Review

- 22 Participants divided into 4 teams
 - 2 Solar Teams
 - Export Control Team
 - “America Competes” Team
- Met with 20 different government offices including:
 - Department of Energy
 - Department of Commerce
 - Sen. Scott Brown (R-MA)
 - Chairman, David Wu (D-OR)
 - Chairman, Ed Markey (D-MA)
 - Rep. Jay Inslee (D-WA)
 - Ranking Member Dave Camp (R-MI)



Washington Forum Themes/Asks

Solar energy:

- Approve energy legislation this year with a renewable energy standard of at least 20 percent by 2020 and a Green Bank
- Remove cap on renewable energy Manufacturing Tax Credit (MTC) – currently maxed at \$2.3B
- Extend renewable energy Investment Tax Credit (ITC) grants in lieu of credit program

“America Competes”:

- Reauthorize America Competes Act this year with authorization to continue doubling of science agency budgets
- FY11 appropriations – finalize doubling increases for NSF and NIST and full funding for Focus Center
- Extend the R&D tax credit
 - Retroactive application to December 2009
 - Extend beyond December 2010
- Implement strong high skills immigration reform to allow American companies to access needed specialized labor resources

Export Control Reform:

- Implement Wassenaar 2009 improvements as soon as possible
- Liberalize etch equipment control given domestic Chinese capability
- Continue push for positive changes to list review, Wassenaar implementation process and license conditions within Administration’s export control review and potential Export Administration Act rewrite

Government Leadership Award

Senator Jeff Bingaman (D-NM):

- Chair, Senate Energy and Natural Resources Committee
- Member of the Senate Finance Committee (tax and trade issues)
- Spearheaded pending Senate energy legislation includes RES and Green Bank
- Champion for the new alternative energy manufacturing tax credit; helped get eight year ITC extension
- Supports innovation/technology goals; leading supporter of America Competes Act
- Supports free trade agreements



Public Policy Issues

SEMI Public Policy Update

- Solar PV
- Export Controls
- Federal Investment in R&D
 - R&D Tax Credit
 - Doubling Science Budget
- European GHG Regulation



PV/Solar Energy

Importance to Industry

- Growing portion of SEMI membership involved in this area – SEMI PV Group

Status/Outlook:

- Waxman-Markey bill passed the House last year: cap-and-trade, renewable electricity standard (RES), Green Bank
- Kerry-Lieberman bill introduced in the Senate:
 - Cap-and-trade to start with power sector first; phase in manufacturing later; potential tax on carbon content of fuels
 - Includes offshore drilling with greater restrictions, loan guarantees for nuclear, other “sweeteners”
 - Still pressure to do climate change bill given EPA regulatory authority on emissions; Sen. Murkowski (R-Alaska) bill to rescind EPA authority over GHG was rejected.
- Majority Leader Reid has instructed all relevant committee chairs to have their language ready to debate an “energy bill” in July.
- RES and Green Bank included in Senate Energy Committee’s bill last year and could be peeled off if climate change bill stalls

Actions

- DOE PV Manufacturing Initiative for U.S.-based consortia aimed at technology development; SEMI working with potential partners to provide standards and other input
- PV Group Feed-in tariff white paper; presented at briefing on Capitol Hill
- Submitted testimony to Committee on Ways and Means in favor of tax policies to benefit solar



Export Control

Importance to Industry:

- High given importance of China market and the difference in implementation of controls in U.S. versus Europe and Japan; many of industry's products require export licenses for sale to China

Status/Outlook:

- Excellent results for 2009 Wassenaar review: 1) industry proposals to loosen controls on etch and cluster tools approved – need to work now to get implemented ASAP; 2) industry-opposed proposal on “editing tools” (scanning electron microscopes paired with focused ion beam equipment) was rejected
- Working group continues it's efforts to put together the first phase of the Administration's Export Control overhaul; expect draft by the end of the summer
- No new news on possible legislative action; SEMI staff scheduling a meeting with Hill staff

Action:

- June 2, Shanghai Export Control update had over 50 participants; Oct. follow up event scheduled
- July 15 SEMI to host Export Control Seminar in conjunction with SIA and TechAmerica at SEMI HQ in San Jose. Guest speakers are Kevin Wolf, Assistant Secretary of Commerce for Export Administration and Todd Willis, Assistant Director, Office of Enforcement Analysis, DTSA

Federal R&D Investments

Importance to Industry:

- NSF plays a critical role in educating students in STEM fields, contributes to technology and workforce development. NIST metrology work and some DoD and DOE work is relevant to the industry
- Expanded grant opportunities for the industry through Technology Innovation Program, Small Business Innovation Research Program, DOE programs

Status/Outlook:

- “America Competes” act passed the House; continues doubling of Science budget and supports STEM education.
- Unclear if and when Congress will take up Budget resolution; too many concerns over government spending in an election year
- Appropriations season should begin soon, but also concerns about government spending will probably put off action until after November
- R&D tax credit is still in limbo. Passed both houses multiple times, but not in the same bill. Should be extended until the end of 2010, so will most likely be fighting the same battle again soon.