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Guest column: To build South Carolina's economy, more than the CHIPS Act is needed

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President Joe Biden speaks virtually with business executives and labor leaders to discuss the Chips Act, a proposal to bolster the semiconductor industry. (Photo/Susan Walsh)

AP PHOTO/SUSAN WALSH, FILE

During a visit to the Palmetto state, President Joe Biden spoke of the many benefits South Carolina is getting from the CHIPS Act. Thousands of high tech jobs have come to the state, and more are on the way. While the CHIPS Act was a great first step in restoring a balanced and resilient supply chain, it doesn't address the entire microelectronics ecosystem. We still depend on Asia for almost all the components

that semiconductors need to function. One such piece of technology is a printed circuit board or PCB. Often mistaken for simple green pieces of plastic, PCBs are in fact a complex and delicately engineered layer, connecting chips to electronic devices. Everything in modern life — from dishwashers to electric vehicles — requires a printed circuit board to function.

PCBs contain highly specialized materials and South Carolina has the distinction of being home to two companies who are the last producers in America. The first is glass fiber yarns. There is only one supplier in the U.S.: AGY right here in Aiken. Just 90 miles away in Camden, Denka America is the sole U.S. producer of copper foil.

The men and women working these lines understand their important contribution to the microelectronics ecosystem — but they are part of an industry headed in the wrong direction. Despite inventing and leading in PCB technology, America still depends on China and other Asian nations for 90 percent of the PCBs made worldwide.

We appreciate what Congress did in the CHIPS Act to provide that initial investment that attracted private investment in the semiconductor industry. It means jobs and prosperity for our state. But our dependence on other nations puts at risk an uninterrupted supply of PCBs for critical infrastructure like telecommunications, banking, medical and national security systems. All it would take is one political decision or natural disaster to choke off the supply of these vital microelectronics.

To nurture and grow the entire microelectronics ecosystem, we call on Congress to pass H.R. 3249, the Protecting Circuit Boards and Substrates (PCBS) Act. The PCBS Act calls for 25 percent tax credit for companies buying American made PCBs along with a \$3 billion investment in research and development, physical plant, and workforce development. South Carolina businesses need this support to reverse many decades of offshoring these critical technologies.

Now is the time to finish the work that the CHIPS Act started and help level the playing field for American companies and for South Carolina.