

August 5, 2025

Honorable Donald J. Trump
President
United States of America
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Trump,

The undersigned associations represent the most innovative technology companies in the United States, spanning across the technology stacks that drive the economy and America's global leadership in AI. We thank you for your leadership and commitment to ensuring that America wins the global AI race, and we look forward to working with you to achieve this goal.

AI leadership depends on access to the critical components and infrastructure that will power the next generation of AI models. This is why we write to highlight the potential impact of semiconductor tariffs on America's AI ecosystem and the ability to sustain America's AI dominance.

We strongly support efforts to move manufacturing back to the United States and increase domestic semiconductor manufacturing. Many of our members have committed to ambitious, multi-billion dollar investments to increase U.S. semiconductor manufacturing capacity and build America's infrastructure. These investments will create hundreds of thousands of jobs across the country, support local economies, and contribute billions of dollars in state and federal tax revenues.

Yet despite these significant investments, the United States currently does not have the capacity to meet its demand for semiconductors and semiconductor derivative products through domestic production, particularly when it comes to advanced chips. While American companies have announced a major U.S. manufacturing expansion, building new fabrication plants typically requires at least 3-5 years from groundbreaking to production ready status, and requires enormous capital requirements and ongoing investment. On top of this, the current build-out trajectory suggests that meaningful capacity increases will take at least 5-7 years.

The reality is that expansion of U.S. manufacturing capacity will take time to develop and will not forestall the need to import semiconductors from other nations. Maintaining our competitive edge in AI will require a unique playbook that supports the domestic manufacturing investment boom while securing continued access to the semiconductors and infrastructure needed to support the next wave of AI model development.

Without adequate domestic manufacturing capacity to meet domestic demand, imposing tariffs on imports of semiconductors, derivative products, or any "used"

downstream products incorporating semiconductors will make it more expensive for tech companies to build out the AI infrastructure needed to achieve the goal of U.S. global AI dominance and will undermine America's competitiveness and economic security. It will also increase the cost of doing business in the United States, putting us at a competitive disadvantage at a critical time in the global AI race and likely leading to a loss of market share in the global AI landscape.

We understand that tariffs are part of your strategy to bring semiconductor supply chain manufacturing to the United States — a goal we support. However, we believe this can be accomplished through a range of policies that will not drag down U.S. competitiveness in the global AI race.

We encourage your administration to continue to engage closely with primary suppliers of imported semiconductors to mitigate any potential national security concerns associated with the semiconductor supply chain, and coordinate on measures to counter market-distorting practices by other nations. Your administration could also consider negotiating U.S. manufacturing investment deals with key supplier countries, where the U.S. could offer preferential treatment for imports of semiconductors and their derivative products from those countries, including a pause on any tariffs, in return for investment in the United States. Leveraging partnerships with key allies to secure trusted supply chains would help address national security concerns without jeopardizing access to the semiconductors needed to advance AI and sustain the entire technology ecosystem.

Your administration recently achieved a resounding success in restoring historic tax reforms that will attract investment to the United States. We strongly encourage you to continue to focus on pro-growth policies that will support the growth of American domestic manufacturing capacity and promote U.S. competitiveness abroad, while refraining from imposing overly broad tariffs that could inadvertently undermine the U.S. economy and the critical foundation upon which our AI dominance rests.

Sincerely,

Computer and Communications Industry Association (CCIA)

TechNet