

San Antonio Express-News

EDITORIAL: STATE OFFICIALS CAN BOOST THE BENEFITS THE CHIPS ACT BRINGS TO TEXAS

By **John Dickson**

San Antonio Express-News

August 2, 2022

Semiconductors are crucial components of many everyday items. From vehicles to devices, countless products need these chips to function. When the pandemic disrupted supply chains, consumers became aware of how vital semiconductors are to their daily lives. As chip shortages strained manufacturers, it made new products tough to find and prices for used products skyrocketed. Just look at the market for vehicles.

In the 1990s, the U.S. manufactured 37 percent of the global semiconductor supply, but that has fallen to 12 percent. While consumers have recently been inconvenienced with delays and higher prices, the semiconductor shortage poses national security risks. Two firms in Asia produce 70 percent of the global semiconductor supply. With China's saber-rattling, the time is now for the U.S. to invest in American ingenuity.

The U.S. House recently passed the CHIPS and Science Act. This legislation couldn't have come at a better time. The bill has Texas roots as Sen. John Cornyn led in the Senate on a CHIPS Act, which this broader legislative package incorporates.

Texas is already seeing the benefits of this initiative. New plants have been announced in Austin and Sherman, and Samsung is considering another exponential expansion in the Austin area, with the potential for a \$197 billion investment in 11 new plants and 10,000 good jobs.

For Texas to take full advantage of this opportunity and solidify itself as the global leader in tech manufacturing, cybersecurity and innovation, leaders in Austin should restructure an economic development package that benefits the communities where these businesses break ground. They then should ensure we have the talent pipeline to staff these facilities with the right STEM employees.

Arguably our most successful economic tool, Chapter 313 was not renewed last legislative session. States are courting businesses looking to relocate, and those businesses owe it to their boards and stakeholders to get the best deal. Texas is already attractive, boasting a low cost of living and no state income tax, but if Texas doesn't have any offer on the table, it will lose.

The state's strategic higher education plan has a goal of 60 percent of our workforce obtaining a postsecondary

credential by 2030. As of 2018, the state sat at just over 43 percent attainment. There is a movement gaining traction to create opportunities for Texans to "earn and learn," while finishing high school in some cases. The beauty of this work — especially in localities where semiconductor plants are being built — is that it creates opportunities for students to succeed in high-demand career fields while creating an educated labor pool for the company to produce in-demand products, like chips.

These talent pipelines take time to develop. In the meantime, a firm needs to hire its STEM talent from somewhere — overseas if need be. In recent years, there has been an influx of high-skilled STEM talent seeking to join the American workforce, but limits on green cards and temporary visas are inhibiting too many bright minds from remaining here. I had hoped to see a provision in the final CHIPS bill that would have included visa and immigration provisions.

The CHIPS and Science Act is a great accomplishment. If Texas can find a way to multiply its benefits to businesses and job seekers, we have a real opportunity to supercharge the Texas Miracle so the Lone Star State grows more globally competitive for decades.

John Dickson is a cybersecurity entrepreneur, former intelligence officer with the U.S. Air Force and member of the **Texas Business Leadership Council**.