Congress of the United States

Washington, DC 20510

February 29, 2024

Secretary Gina Raimondo U.S. Department of Commerce 1401 Constitution Ave NW Washington, DC 20230

Dear Secretary Raimondo:

We are writing to urge your office to actively engage with applicants for funds provided by the CHIPS & Science Act to ensure that the jobs created from these investments are good, safe, community-sustaining jobs.

We appreciate your leadership and collaboration with Congress to support passage of the CHIPS & Science Act. This legislation is a significant step towards strengthening U.S. manufacturing capacity and competitiveness, and it has the potential to create thousands of new, good jobs in the semiconductor industry. Furthermore, we appreciate that the Commerce Department has made clear that the jobs created by the CHIPS & Science Act should be good jobs. Indeed, the Commerce Department's *CHIPS Workforce Development Planning Guide* underscores the importance of the domestic semiconductor industry supporting quality jobs, as does the requirement that CHIPS funds applicants demonstrate their commitment to "recruit, train, hire, retain, and upskill a skilled and diverse workforce." Additionally, the guide outlines actions for employers to take to achieve this goal of creating good jobs, such as providing an equitable living wage to all workers, ensuring safe working conditions, and enabling workers to have a meaningful voice on the job without fear of retaliation.¹

However, given the significant, longstanding opposition to worker organizing in the semiconductor industry and lingering safety concerns regarding the semiconductor manufacturing process, we are urging the Commerce Department as it moves forward in awarding funds from the CHIPS & Science Act to use its full authorities to ensure that recipients adopt the necessary criteria to support high-quality jobs in the semiconductor industry.

Good jobs in the semiconductor industry should carry through from the construction of new semiconductor facilities to their maintenance and operation. This starts with a company or their contractor utilizing project labor agreements (PLAs) throughout the life-cycle of a facility. According to the Department of Labor, PLAs increase the probability of complex construction and maintenance projects being completed on time and on budget. The reason is because PLAs provide employers with a reliable source of highly skilled and trained workers. They also support the payment of middle-class wages and benefits that go well beyond federal prevailing wage requirements. Finally, PLAs promote equitable and diverse workforce development, and improve workers' health and safety on the job.² We applaud the semiconductor companies that have committed to using PLAs thus far, and we encourage you to continue working with other CHIPS applicants to ensure that their projects will be constructed and maintained under PLAs.

 $^{^{1} \}underline{\text{https://www.nist.gov/system/files/documents/2023/03/30/CHIPS\%20Workforce\%20Development\%20Planning\%20Guide\%20\%281\%29.pdf}$

² https://www.dol.gov/general/good-jobs/project-labor-agreement-resource-guide

Continuing forward to production and operation jobs, the semiconductor industry unfortunately has a long track record of aggressive interference in workers' efforts to unionize. Within the semiconductor industry, there is a history of surveilling and intimidating workers, illegally firing workers for organizing, coordinating on union-avoidance training, exchanging intelligence between firms, and funneling financial resources to smaller firms where workers were organizing for better wages, safer working conditions, and a voice on the job.³ Despite the rapid growth of its workforce, the tech sector remains one of the least unionized major industries in the country.⁴

To ensure that the jobs created by the CHIPS & Science Act are high quality union jobs, more needs to be done to address the culture of union-busting and union-avoidance in the industry. The best way to address this issue is to require companies receiving taxpayer subsidies under the CHIPS & Science Act to sign a community benefits agreement (CBA) that includes the high-quality job criteria outlined in the *CHIPS Workforce Development Planning Guide*. A CBA should include provisions to: hire workers from local and disadvantaged communities; provide training programs to ensure that workers can succeed at their jobs; commit to environmental safety for the community; commit to pay the industry-leading prevailing wage; and respect the rights of workers to organize.

Without a strong union presence in the industry, worker safety, compensation for blue-collar workers, and overall job quality remain key concerns. For example, semiconductor manufacturing is highly dependent on the use of thousands of hazardous chemicals with little regulatory oversight, and many semiconductor manufacturers often introduce new chemicals into their processes without first testing for or considering environmental or worker safety. Given these issues, the Commerce Department's focus in this area must go well beyond compliance with existing OSHA law because our current regulatory framework is inadequate to keep workers safe.⁵

We urge the CHIPS Program Office to follow the example set by the National Telecommunications and Information Administration's Broadband Equity Access and Deployment Program (BEAD) program and include worker-led health-and-safety committees when negotiating contracts with CHIPS applicants. Health-and-safety committees, where workers can share concerns without fear of retaliation, are an effective way of addressing safety issues before problems arise.

Looking forward, we must prioritize developing the technology that will allow us to manufacture the chips we need in a way that keeps workers and communities safe. In 1993, Congress mandated that ten percent of the \$100 million allocated for semiconductor research and development go towards the development of "pollution preventing, environmentally safe microchip manufacturing process." Thirty years later, we still do not have that technology, but we need it now more than ever. We urge Commerce to use a portion of the funds from the \$11 billion reserved for semiconductor research and development to fund the development of such technology and processes that will keep workers safe.

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³ https://time.com/6333723/semiconductor-history-chips-act/

⁴ https://www.kqed.org/news/11874325/tech-worker-organizing-is-nothing-new-but-actually-forming-unions-is

⁵ https://www.osha.gov/annotated-pels

In addition to worker safety, we have concerns regarding the quality of the blue-collar jobs that will be created through this historic investment in the semiconductor industry. Jobs in semiconductor production that only require a high school degree or a GED, including production worker and machine operator, have salary ranges from as little as \$21,700 to \$54,750. With an associate's degree, semiconductor process technicians can expect to earn between \$28,320 to \$70,320.6 These production jobs are not the good family-sustaining jobs that host communities expect or deserve. It is critical that contracts with companies receiving CHIPS funds include specific, measurable data including wages and benefits broken down by job classification and provide minimums for wages and benefits at each classification.

Finally, as local and regional workforce partnerships continue to be built out across the country to ensure the semiconductor industry has the workers it needs, labor unions must be at the table. We appreciate that the Department's CHIPS Workforce Development Planning Guide reinforces the need for companies receiving CHIPS funding to work collaboratively with workforce partners, including labor unions. Unfortunately we understand that a number of workforce development pipelines and training curricula for production workers are currently being created without union involvement. As a consequence, some industry employers are forgoing domestic recruitment and workforce investments that flow to disadvantaged communities and support equitable economic growth. We urge you to ensure unions are key partners in grantees' workforce plans and that training ensures pathways to good jobs for the long-term, including training tied to titles, with uniform wage scales, and skill codes recognized in the industry.

We appreciate your partnership in revitalizing U.S. semiconductor manufacturing to create good jobs and secure supply chains. Thank you for your time and consideration of these important issues.

Sincerely,

Donald Norcross

Member of Congress

Co-Chair, Congressional

Labor Caucus

Mark Pocan

Member of Congress

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Labor Caucus

⁶ https://careers.semi.org/career-explorer?job-category=7

⁷https://www.nist.gov/system/files/documents/2023/03/30/CHIPS%20Workforce%20Development%20Planning%20Guide%20%281%29.pdf

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