Congress of the United States Washington, DC 20515

September 21, 2024

Dear Democratic Colleague:

<u>As the Ranking Members of the Energy and Commerce; Natural Resources; and Science, Space, and Technology Committees, we urge you to vote NO on S.2228, the Building Chips in America Act.</u> If passed, this bill would eliminate environmental review and public input under the National Environmental Policy Act (NEPA) for semiconductor facilities receiving funding under the CHIPS and Science Act.

While crucial to the clean energy transition, historically these facilities had a legacy of leaving Superfund sites, and burdened communities with contaminated groundwater for decades. Silicon Valley had one of the highest concentrations of Superfund sites in the nation, which were heavily tied to semiconductor manufacturing. The human toll of this pollution on the semiconductor workforce and surrounding community included miscarriages, deformed babies, disease, and death. We cannot afford to repeat the mistakes that were made in the past.

As our colleagues should all know, as the lead democrats for these committees, we are some of the strongest proponents for the clean energy transition and understand the importance and need for manufacturing semiconductors here in America. We have all been strong supporters of the CHIPS and Science Act since the beginning. This law provides billions of dollars in funding to the semiconductor industry and includes abbreviated permitting process for CHIPS projects. We do not, however, support S. 2228's wholesale elimination of NEPA review for projects funded by the CHIPS program. Excusing those projects from any federal environmental review would allow them to avoid an important step aimed at reducing the potential harm to our environment, workforce, and communities that those projects could cause. We must find a way to support this industry without repeating the mistakes of the past.

When S.2228 was first introduced, there was a fear that permitting timelines would take too long. But thanks to Democrats delivering \$1 billion for staffing and capacity at federal agencies for permitting and the Biden-Harris administration expanding and adopting categorical exclusions – the fastest form of environmental review - for semiconductor facilities, projects are moving expeditiously. In addition, when Congress passed the CHIPS and Science Act, we also passed legislation to provide an abbreviated permitting process for semiconductor projects.

Even Department of Commerce Secretary Raimondo, who had been concerned that NEPA reviews could result in delays, has changed her tune. When testifying recently before the Energy and Commerce Committee she acknowledged: "When I was here six months ago, I was highly concerned about NEPA and the chips factories," but now Raimondo told the committee, "I can

report to you today that we've made a ton of progress on that, and we are on track to complete the environmental review for all these companies before we issue the award." <u>This progress</u> demonstrates that NEPA review is not a barrier to moving these projects forward.

This bill is now an answer in search of a problem, that could, if passed, create many new problems for our environment, for our water supply, for worker safety, and for our communities. We can transition to a renewable energy future, all while protecting our environment and communities at the same time.

History does not indicate that semiconductor manufacturing should be completely absolved from any NEPA reviews. Given the broader range of implications, it is inappropriate to remove altogether the government's responsibility to analyze and divulge the genuine health, environmental, and economic impacts of these projects.

Again, we strongly urge you to vote no on S.2228.

Sincerely,

Trank Pallon, fr.

Frank Pallone, Jr. Ranking Member House Committee on Energy and Commerce

and

Raúl M. Grijalva Ranking Member House Committee on Natural Resources

Zoe Lofgren Ranking Member House Committee on Science, Space, and Technology