



October 2, 2026

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

On behalf of our members, who represent America's leading technology companies, we write to commend your commitment to ensuring the United States wins the global race for artificial intelligence (AI) while rebuilding American manufacturing and strengthening our economic and national security. We share these priorities and appreciate your focus on expanding domestic investment, streamlining permitting, and encouraging the construction of the infrastructure that will power America's future.

Winning the AI race means building more critical technology in the U.S. while safeguarding American companies' access to the inputs they need to build here today. America's success will depend not only on developing the world's most advanced AI models, but also on building the semiconductor capacity, data centers, advanced manufacturing facilities, robotics, and energy infrastructure necessary to deploy AI at unprecedented scale. Achieving that objective will require evaluating every major economic policy through the lens of whether it strengthens or weakens America's ability to build AI infrastructure faster than our competitors.

As your administration considers the appropriate course of action following Section 232 investigations, we encourage an approach that advances supply chain security, American manufacturing capacity, and America's broader AI policy objectives. Where genuine national security risks exist, we encourage your administration to pursue targeted, evidence-based measures focused on specific products, technologies, or countries of concern. Such an approach would better protect national security while preserving access to the trusted supply chains and advanced technologies that American manufacturers require to build, innovate, and compete.

Companies have committed billions of dollars toward expanding domestic semiconductor manufacturing and advanced production capacity, but these investments require years to become operational. For example, fabrication facilities typically take three to five years to construct, and years beyond that before those facilities can provide meaningful capacity. Furthermore, critical upstream materials and specialized manufacturing equipment are sourced through global supply chains. Until domestic production reaches sufficient scale, American companies will continue to rely on imports to support AI development, advanced manufacturing, and domestic investment.

The same challenge exists for robotics and industrial machinery. The United States leads the world in AI software and frontier model development, but embodied AI depends upon specialized components that are overwhelmingly manufactured abroad. High-performance actuators, harmonic drives, precision sensors, advanced controllers, and other essential robotics components currently lack sufficient domestic production capacity. Restricting access to these technologies before American manufacturing has matured risks slowing innovation, delaying deployment, and increasing costs for the very industries the Administration seeks to strengthen.

Broad Section 232 tariffs on semiconductors, robotics, and other critical technology inputs would increase the cost of building semiconductor fabrication plants, AI data centers, advanced manufacturing facilities, and robotics production lines across the United States. At a time when American companies are investing billions of dollars to expand domestic manufacturing and AI infrastructure, these higher costs could reduce available capital, delay projects, and slow deployment of the technologies needed to strengthen U.S. competitiveness.

To the extent the Administration is considering a tariff offset program related to U.S. investments, we encourage taking an approach that reflects the many ways in which companies have invested and continue to invest in the U.S. A successful program would involve offsets for producers as well as downstream users of a product given that the companies that are manufacturing affected products in the U.S. may not be the same companies that are importing and incorporating affected products. Further, any tariffs imposed as a result of these investigations should also account for secondhand goods, which generally do not compete with new domestic production or create the national security concerns these measures are intended to address. Exempting qualifying used and secondhand products from additional Section 232 duties would help avoid unnecessary costs for American consumers and small businesses while preserving the Administration's ability to target genuine supply chain and national security risks.

Two distinct modeling approaches each produced annual cost estimates in the tens of billions of dollars for semiconductor tariffs. According to a recent Information Technology and Innovation Foundation (ITIF) analysis, a blanket 25 percent tariff on semiconductor imports would reduce U.S. GDP by approximately \$58 billion in the first

year alone.¹ Further analysis from the Computer & Communication Industry Association (CCIA) shows that a 25 percent tariff on semiconductor imports would cost the United States roughly \$450 billion in capex and GDP between 2026-2030, or \$90 billion per year.² These economic impacts carry important strategic consequences. The global AI race is increasingly a competition to build the full AI ecosystem, including semiconductors, computing infrastructure, data centers, robotics, advanced manufacturing, and the energy systems that support them. Policies that increase the cost of these foundational technologies make it more expensive to build AI in the United States, slowing investment and deployment at precisely the moment when global competitors are accelerating their own AI capabilities. Preserving America's technological leadership will require policies that encourage investment across this ecosystem and accelerate, rather than impede, the buildout of the infrastructure that underpins AI innovation.

We believe there is a more effective path to achieving your administration's objectives. Rather than imposing broad tariffs on critical manufacturing inputs, the United States should continue pursuing policies that directly strengthen domestic production, including expanding investment incentives, accelerating permitting for semiconductor fabs, data centers, energy infrastructure, and manufacturing facilities, supporting workforce development, strengthening domestic mineral processing, and encouraging continued investment from trusted allies and partners. These policies expand American manufacturing capacity without increasing costs for companies investing in the United States.

We share your goal of making America the best place in the world to build the technologies of the future. The most effective trade policy will reward companies that invest and manufacture here, strengthen supply chains, and keep the critical inputs needed for American AI and advanced manufacturing affordable and accessible.

We stand ready to work with your administration to advance policies that strengthen American manufacturing, secure critical supply chains, and ensure the United States remains the world's leader in AI, advanced manufacturing, and robotics.

Sincerely,

Computer & Communications Industry Association (CCIA)
Consumer Technology Association (CTA)
Information Technology Industry Council (ITI)
Software Industry Information Association (SIIA)
TechNet

¹ Robert D. Atkinson, Info. Tech. & Innovation Found., Section 232 Semiconductor Tariffs Could Undermine US Economic Growth (2026), <https://itif.org/publications/2026/06/04/section-232-semiconductor-tariffs-could-undermine-us-economic-growth/>.

² Comput. & Commc'ns Indus. Ass'n, Applying Semiconductor Tariffs to Data Centers Would Cost the U.S. \$90 Billion a Year (2026), <https://ccianet.org/articles/applying-semiconductor-tariffs-to-data-centers-would-cost-the-u-s-90-billion-a-year/>.