

November 19, 2021

The Honorable Gina Raimondo
Department of Commerce
Washington, D.C. 20500

The Honorable Brian Deese
National Economic Council
Washington, D.C. 20500

Dear Secretary Raimondo and Director Deese:

We, the undersigned CEOs of state-based trade associations representing the medical technology and life sciences ecosystem, write to ask you to closely monitor the distribution and utilization of semiconductor chips to ensure our industry can continue to provide life-saving devices and diagnostics to patients.

We commend the Administration on guiding the nation through significant challenges created by the COVID-19 pandemic, including keeping the public safe, ensuring the economy continues to strengthen, and addressing persistent supply chain issues causing critical product shortages. As you are aware, the shortage of semiconductor chips is affecting many industries, including healthcare and medical technology. As highlighted in President Biden's [100-Day Supply Chain Review report](#), these chips are essential and any shortage would have significant economic implications.

Unfortunately, this problem goes beyond economics and poses a dire threat to patients. Although medical devices and life sciences companies account for a small percentage of the semiconductor chip market, they have an outsized impact on the lives of patients and families – particularly amid a public health crisis. Many of our companies are providing medical products that are helping alleviate the effects of the pandemic while continuing to produce a wide range of medical equipment from health maintenance to life-sustaining products.

The current shortage of semiconductor chips is forcing our member companies to execute alternative plans that are ultimately only temporary solutions. Companies are expending significant resources to reengineer products to work with the chips that are currently available. However, many of these products are heavily regulated, must undergo anti-counterfeit testing to ensure the components can be used safely, and redesigning them is not feasible in the short term. Companies are also seeing delayed or canceled chip orders, as well as rapidly increasing costs to acquire necessary chips at excessive prices, which will have long-term effects on healthcare costs and significantly affect the future availability of and access to these products for physicians and patients.

While the *CHIPS for America Act* and the U.S. Department of Commerce's recent [Request for Comments on Risks in the Semiconductor Supply Chain](#) are a step in the right direction, they are longer-term strategies that will not produce the immediate relief companies, and their patients, need now. Many laboratory instruments are used for the foundational research necessary to identify and track emerging pandemic threats and to enable the research and development for new treatments and cures. Any shortage of these products caused by the current semiconductor supply issues will have an immediate impact on patients and families as well as the overall healthcare system.

As the Administration works to address the global shortage of semiconductors, we ask that you strongly consider the mission critical role of the medical and life sciences sectors in providing patients with continuous access to a broad range of life-saving technologies and ensure that semiconductors are available for medical uses.

Thank you for your attention to this important issue.

Sincerely,

Joan Koerber-Walker
President and CEO
Arizona Bioindustry Association, Inc. (AZBio)

Joe Panetta
President & CEO
Biocom California

Nancy K. Bryan
President & CEO
BioFlorida

Lisa Johnson
CEO
BioForward Wisconsin

Debbie Hart
President & CEO
BioNJ

Kelvyn H. Cullimore, Jr.
President & CEO
BioUtah

Elyse Blazeovich
President & CEO
Colorado BioScience Association

John Ray
Executive Director
Florida Medical Manufacturers Consortium

Maria Thacker Goethe, MPH
President & CEO
Georgia Bio

Dean J. Paranicas
President & CEO
HealthCare Institute of New Jersey

John Conrad
President & CEO
iBIO

Kristin Jones
President and CEO
Indiana Health Industry Forum

Ivan Lugo
Executive Director
Industry-University Research Center (Puerto Rico)

Christopher P. Molineaux
President & CEO
Life Sciences Pennsylvania

Brian Johnson
President
MassMEDIC

Martin Rosendale
CEO
The Maryland Tech Council

Stephen Rapundalo, PhD
President & CEO
Michigan Biosciences Industry Association (MichBio)

Sharon Peterson
Executive Director
Montana Bioscience Association

Jennifer Hawks Bland
CEO
NewYorkBIO

Laura Gunter
President
North Carolina Biosciences Organization

Joni Ekstrum
Executive Director
South Dakota Biotech