UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

In the Matter of **CERTAIN FOREIGN-FABRICATED SEMICONDUCTOR DEVICES, PRODUCTS CONTAINING THE SAME, AND COMPONENTS THEREOF**	**Investigation No. 337-TA-___** **Docket No. 3809**

PROPOSED RESPONDENT TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED'S STATEMENT REGARDING THE PUBLIC INTEREST

Pursuant to the Commission's Notice soliciting comments relating to public interest, 90 Fed. Reg. 10515 (Feb. 24, 2025), Proposed Respondent Taiwan Semiconductor Manufacturing Company Limited ("TSMC") requests that the Commission delegate public interest to the presiding ALJ. Complainants are nothing more than Category 2 non-practicing entities ("NPEs") that own, manage, and assert patents acquired from others. *See* Compl. ¶ 11. While acknowledging they do not have a domestic industry of their own, Complainants seek to weaponize the Commission and exclude a broad array of critical advanced node (7nm and smaller) semiconductor chips and downstream products, including a number of products used by the U.S. government for defense and national security purposes. The broad scope of the proposed remedial orders comes at an inflection point in the United States' ability to lead the critically important Artificial Intelligence ("AI") race. Accordingly, the Commission should delegate public interest as it has done in numerous other investigations involving critical technology.[1]

[1] *E.g.*, Inv. No. 337-TA-1336 (concerning "(a) semiconductor devices, consisting of integrated circuits or wafers, incorporating foreign fabricated wafers, fabricated using: (i) Samsung's 14 nm and smaller process nodes; or (ii) TSMC's 16nm and smaller process nodes; (b) mobile devices consisting of smartphones, tablets, and smartwatches containing the same; and (c) components of such semiconductor devices and mobile devices"); Inv. No. 337-TA-1335 (concerning "(a) integrated circuits that incorporate computer processors, fabricated using foreign fabricated wafers; (b) mobile devices consisting of smartphones, tablets, and smartwatches containing such integrated circuits; and (c) components of such integrated circuits, smartphones, tablets, and smartwatches"); Inv. No. 337-TA-1319 (concerning "semiconductor devices, and specifically undiced wafers, diced wafers, packaged chips and chipsets both attached and unattached to printed circuit boards; and end products incorporating such articles, specifically cellular telephones and tablet computers, personal computers, graphics cards, memory modules, radios, LIDAR modules, and amplifiers"); Inv. No. 337-TA-1308 (concerning "power semiconductors with envelope tracking modules, and products such as mobile devices, tablets, and laptop computers containing the same"); Inv. No. 337-TA-1302 (concerning "cellular base station communication equipment, specifically mmWave antenna radio units and radio baseband units, components thereof, and products containing same"); Inv. No. 337-TA-1301 (concerning "Apple mobile phones and tablet computers, all with switchable connectivity"); Inv. No. 337-TA-1300 (concerning "Apple mobile phones, tablet computers, smart watches, smart speakers, and digital Media Players, and products containing same"); Inv. No. 337-TA-1299 (concerning "iPhones,

I. TSMC's Technology is Critical to Every Sector of American Life

TSMC is the world's largest semiconductor foundry and an innovation leader. It invests billions each year to create cutting-edge technology ($6.355B in 2024 R&D) that is ultimately incorporated into products designed by some of the most important companies in the world. Domestic companies that utilize TSMC foundries, such as Apple, Broadcom, Nvidia, and Qualcomm, are responsible for designing products critical to every sector of American life. Indeed, the accused products include not only semiconductor chips manufactured using TSMC's advanced 7nm and smaller process nodes, but also integrated circuits, smartphones, tablets, personal computers, smartwatches, and network units—all products that significantly impact everyday life in the United States. Millions of Americans rely on these products to make a living, complete essential personal and professional tasks, stay connected, and access critical information related to welfare, safety, and health.

II. Complainants' Requested Relief Would Result in Significant Demand that Cannot be Filled by Intel or Others

Unlike Proposed Respondents, Complainants do not design, produce or sell any product. Rather, Complainants vaguely rely on companies like Intel, Samsung, GlobalFoundries, UMC and MediaTek to support the conclusion that "[t]here are ample suppliers available to avoid disruption" if the remedial orders are issued. Complainants' PI Statement ("CPI") at 2. Complainants have not alleged, much less shown, that any of the aforementioned companies has ***any*** capacity to replace the accused 7nm and smaller semiconductors made by TSMC.[2] The Commission has previously

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iPads, and Apple Watches with cellular connectivity"); Inv. No. 337-TA-1295 (concerning "processors, mobile phones, tablets, personal computers, and streaming devices containing processors").

[2] Globalfoundries abandoned its 7nm process technology in 2018 (https://www.anandtech.com/show/13277/globalfoundries-stops-all-7nm-development); UMC

recognized such shortages as public interest issues,[3] and it should do so again here. Moreover, this lack of supply is especially acute for certain burgeoning industries such as AI, which require semiconductors made at advanced nodes.[4] Further limiting supply for semiconductors used by companies at the cutting-edge of AI development like Nvidia, would run directly counter to this Administration's focus on ensuring American dominance in AI.[5]

Given the lack of available substitutes in a commercially reasonable time, the requested relief would create a shortage of advanced node semiconductor chips, thereby damaging the U.S. economy and upending U.S. innovation in critical fields such as AI.

III. The Requested Remedial Orders Would Harm the Public Health, Safety, and Welfare as well as Competitive Conditions and U.S. Consumers

Complainants contend there are no health, safety, or welfare features unique to Proposed Respondents' products as compared to those offered by Intel, Samsung, Microsoft, Dell, and others. CPI at 4. This bald statement intentionally downplays the impact of the requested relief and ignores critical facts to the contrary. For example, TSMC's CyberShuttle® program—which Complainants

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focuses on mature node chips (https://www.fool.com/investing/2023/01/15/could-united-microelectronics-become-the-next-tsmc/); Intel outsources its sub-3nm process manufacturing to TSMC because of issues with its own foundry (https://www.trendforce.com/news/2024/09/09/news-intel-reportedly-outsources-all-sub-3nm-process-production-to-tsmc/); Samsung recently withdrew personnel from its Texas facilities due to yield issues with advanced process nodes (https://www.businesskorea.co.kr/news/articleView.html?idxno=225024);and MediaTek does not manufacture semiconductors at all (https://www.mediatek.com/company/discover).

[3] *See, e.g.,* Inv. No. 337-TA-1267, Recommended Determination at 17 (Aug. 26, 2022); Inv. No. 337-TA-1204, Comm'n Op. at 48 (Jan. 6, 2022).

[4] *See, e.g.,* https://www.informationweek.com/it-leadership/will-ai-chip-supply-dry-up-and-turn-your-project-into-a-costly-monster-

[5] *See id.* ("American companies like AMD and Nvidia count on Taiwan Semiconductor Manufacturing Company (TSMC) to manufacture their chips. So far, the company has helped the US maintain a competitive lead in AI chip production over China."); *see also* https://www.forbes.com/sites/moorinsights/2025/01/30/the-stargate-project-trump-touts-500-billion-bid-for-ai-dominance/.

point to as evidence of importation (Compl. ¶ 106)—is used by a number of research labs and universities (including Stanford, MIT, Princeton, and UC San Diego, University of Austin at Texas) to test new designs and innovate.[6] This program permits developers to reduce prototyping costs of chips by sharing a wafer and is critical in ensuring that U.S. entities have access to the most advanced chipmaking technologies. TSMC also plays a significant role in national security by supplying semiconductors for use in 5G telecommunication and a number of military devices and vehicles.[7]

Complainants further claim that the requested relief will not negatively impact U.S. consumers or competitive conditions. CPI at 4. As purported support Complainants once again make the unsubstantiated claim that Intel, Samsung, GlobalFoundries, UMC and a host of other non-manufacturing companies "will be able to meet domestic market demand for any excluded articles." *Id.* This is incorrect. First, as noted above, from the semiconductor ***manufacturing*** perspective, ***none*** of the identified entities has the requisite capacity and know-how to replace TSMC's cutting-edge technology at 7nm and smaller. At best, companies like GlobalFoundries and UMC can produce mature chips that may be suitable for limited applications, but the 7nm and smaller chips made by TSMC are core components in nearly every type of electronic device used throughout the country.

Second, Complainants' focus on x86 architecture as a purported substitute is misleading at best. CPI at 5. Intel's x86 architecture is primarily used for central processing units (CPUs) in personal computers (PCs) and servers—it is not used for the other semiconductor components in

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[6] TSMC's 2023 Annual Report (available at https://investor.tsmc.com/sites/ir/annual-report/2023/2023_Annual_Report_E.pdf) at 104.

[7] https://nstxl.org/how-computer-chips-became-essential/; https://www.csis.org/analysis/semiconductors-and-national-defense-what-are-stakes

PCs and servers, such as graphics processing units (GPUs) from companies like Nvidia, that are foundational for AI.[8] And recent reports indicate that Intel has scrapped the launch of its forthcoming AI GPU chip, noting that the decision "effectively marks the end of Intel's efforts to become a major supplier of AI accelerator chips."[9] Intel's x86 architecture is also not commonly used for semiconductor components in other products such as smartphones, which predominantly uses ARM-based microprocessors and modems. As such, Complainants' claim that they "only seek to exclude" products "that contain non-x86 components" (CPI at 5) does not mitigate the harm to the public interest because products such as PCs, servers, smartphones, and Nvidia AI chips have non-x86 components.

Given the nature and far-reaching scope of products Complainants seek to exclude, the breadth of the proposed remedial orders would significantly harm American access to TSMC's leading-edge foundry technology that is critically important to U.S. R&D, innovation, and leadership. That lack of access would in turn result in significant harm to the public health and welfare, competitive conditions in the U.S. economy, and U.S. consumers.

IV. Conclusion

Complainants, which have no domestic industry of their own, seek to leverage the Commission's authority to extract money from TSMC without regard to the great harm that their requested relief would impose on the public interest. Given the significant public interest concerns, TSMC respectfully requests that if the Commission decides to institute this investigation, it delegate public interest to the presiding ALJ.

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[8] https://blogs.nvidia.com/blog/why-gpus-are-great-for-ai/.

[9] https://www.fool.com/investing/2025/02/02/intel-just-gutted-its-ai-chip-ambitions/.

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Respectfully submitted,

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