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Co-Chair Nathanson, Co-Chair Meek, Co-Vice Chairs, and members of the joint committee, thank you for the opportunity to testify about the importance of a R&D tax credit. For the record, my name is Harry Clapsis and I lead government affairs for Ampere Computing. Today I am here to testify and give my enthusiastic support to the -5 amendment to SB5, and urge the committee to pass this bill.

Before I go into the specifics of the tax credit proposal being discussed, I think it's important to tell you more about Ampere and what we have done in just five years.

About Ampere:
Five years ago, Ampere was not much more than an idea. We had five employees, led by our CEO and founder Renee James, working out of an office in downtown Portland, discussing how they were going to build the future of the semiconductor industry. And importantly – how they were going to do it here in Oregon. Five and a half years later – Ampere has grown fifty-fold to well over 250 employees in Oregon. We want to keep that rapid pace going.

In these five years, we have developed products that will make our world a better place. Since our founding – we have been laser-focused and are leading the industry on designing cloud-native processors, chips specifically designed for use in cloud data centers. With cloud data centers consuming more and more energy each year, the chip industry needs to help build in greater energy-efficiency. That's why Ampere has spent the past five years designing energy-efficient processors to solve the problems of today and the future. Our processors mean that data centers of the future will be more energy efficient than today, saving power, water, and real estate. And much of the research bringing us this green future was done here in the state of Oregon.

Despite all of Ampere's success to date, that success is not guaranteed given the immense challenges in this industry for all companies. According to one public estimate, the cost of designing a 7nm chip is over $200 million and the cost of designing a 5nm chip is over $450 million. Ampere has designed two 7nm chips and one 5nm chip to date, and we're actively working on more. At the same time, other states aren't staying idle. California and Arizona have ambitious R&D tax credits today, and a few weeks ago Texas' governor announced he will be supporting a "Texas CHIPS Act" aimed at "sustain[ing] Texas leadership in advanced semiconductor research, design, and manufacturing".

Tax Credit Proposal:
Now, turning to SB5, and the -5 amendment. First, I want to thank Sen. Meek and Rep. Nathanson for their tireless work creating an ambitious semiconductor R&D tax credit that will

cement Oregon's position as our country's epicenter of semiconductor R&D leadership. We believe the scoping of the credit accurately reflects legislative intent to cover companies in the semiconductor industry, the credit is scoped properly to only support new research happening in the state, the credit percentage is ambitious enough to impact company decision-making, and the provisions on refundability will help grow small and medium-sized businesses in the industry.

We are strongly supportive of the -5 amendment and urge this committee to pass this amendment. For Ampere, restoring and enhancing the R&D tax credit would directly support our existing Oregon workforce and would be a down-payment in growing our workforce further. Given how important R&D is to chip companies, the R&D tax credit should be a key pillar of ensuring the growth of Oregon's existing semiconductor ecosystem, as well as bringing new companies to the state.

Thank you again, and I'm happy to answer any questions.