

Submitter: Mark Blythe

On Behalf Of:

Committee: House Committee On Economic Development, Small Business, and Trade

Measure, Appointment or Topic: HB2277

Oregon House Committee on Economic Development, Small Business & Trade
3/19/2025

In support of HB 2277

My name is Mark Blythe, Chief Marketing Officer for Kokusai Electric, a Japanese Semiconductor Equipment Manufacturer. My primary role is to oversee & direct Technology Development programs with our leading-edge Semiconductor Industry Customers & Partners in the US.

The prospect of Oregon CHIPS funding has been a key consideration in our decision to focus on Hillsboro. While we have business reasons to locate in Hillsboro, as a Japanese public company we also have a fiduciary responsibility to our shareholders to make a cost-effective site selection. We have customers in Albany NY, Phoenix, Austin, Dallas TX & Boise. We (Kokusai) have formally explored sites in 2 of these jurisdictions. Hillsboro & the State of Oregon have done a great job establishing & maintaining a comprehensive package of incentives competitive with these other cities. But shovel-ready sites are few & very expensive in Hillsboro & surrounding area. The site we are focused on is not located in the Enterprise Zone. Given this landscape, it is the Oregon CHIPS program that sets Oregon & Hillsboro apart from the other jurisdictions.

We (Kokusai) were provisionally awarded Oregon CHIPS funding last summer (thank you all very much). However due to a "bureaucratic difficulty", we were unable to submit our US CHIPS Concept Paper in December 2024. And there are no further US programs to apply for at this time. So today per the statute, we cannot access the Oregon CHIPS funding.

Our project is exactly the kind of project that both US & Oregon CHIPS have been designed to attract. As a Japanese company, this is our 1st investment of this kind outside of Asia focused on Leading Edge Semiconductor Development. Our parent company is very excited about this project. We will invest \$110M during the next 2 years on Structure & Equipment (already ~50% Design completion using local architectural & engineering firms). Another ~\$30M over the following 3 years. We are conservatively planning to create 25 new jobs by 2030 & our Phase-I facility will accommodate up to 50 jobs. Most of these will be Engineering & Technology Management jobs. And, we have space on the site to more than double the size of

the facility.

What the good people of Oregon will get in return for their tax dollars is will over \$100M of Foreign Direct Investment & a pipeline of new Engineering & Technical jobs. A couple of colleagues & I attended a Department of Engineering Job Fair at OSU in January that was very well attended. We will be back in Corvallis in April for a Chemical Engineering Department Industry-University Collaborative Summit. I've found that Chemical Engineering students are very excited when they hear about opportunities in the Semiconductor Industry. We are working to create an internship program for engineers & technicians. The Oregon CHIPS funding will also help us to fund sustainability investments in such areas as low carbon footprint construction materials, renewable energy & wastewater reuse.

On behalf of Kokusai Electric, thank you very much for your support of an exciting industry that has supported my family & many other Oregon families & communities for decades.

Sincerely,

Mark Blythe
Chief Marketing Officer
Kokusai Semiconductor Equipment Corporation
Mobile: (972) 415-4151