

Testimony for SB 1586

This is Shantanu R Gupta, President and CEO of Cascade Systems Technology (CST), an Electronics Manufacturing Services (EMS) operating in Hillsboro for the last 38 years. CST is a high-tech company that assembles circuit boards, full system assemblies along with other services to enable chips/silicon-based products to be deployed in a variety of applications. These applications range from Cloud/AI data center servers, power control modules for EVs, variety of usages for government, military and defense etc. The Chips Act effort made is clear for everyone that semiconductors / Chips have become the backbone of our society – in both personal and business aspects of our lives. We all carry chips in our pockets (mobile phones) and use them daily in a variety of usages at home and work. These semiconductors have become critical for national security and the future demand for these semiconductors is projected to grow.

Today, semiconductors are more part of our social, work and business fabric than ever before. And will become even more so with AI. We went through 2 major transitions in the last 40 yrs and are now going through the 3rd one.

1. PC “revolution” in the 80s/90s
2. Internet – mid 90s onwards that transformed industries and drove a major semiconductor demand
3. AI – we are at the start of this. AI has been in development for the last 50 yrs but a lot of pieces had to come together before these AI chatbots and apps became alive. And this is just a start.

Fellow Oregonians who are opposed to the measure need to look at the Oregon legislature playbook from the late 80s and 90s that kept intel in Oregon and growing in Washington county. The playbook was based on tax credits and land use expansion. Otherwise, the ~18K Intel employees here today wouldn't be here along with all the economic ripple effect those high paying jobs created, that uplifted the Washington county economy. There is a reason why those Intel campuses had the word “Farm” in their names – Jones Farm, Hawthorn Farms.....They were built on land that used to be a farm! Orenco station area wouldn't have come into existence without this growth. I was here to witness this growth in the last 30+ years. I joined Intel in 1988 out of college after my Master degree in Computer Engineering to join the chip design team that was located here in “Jones Farm” – which was just one building then when most of this area was indeed farms. I experienced what Tax Credits and land use availability did for Intel and for people like me – I am still here in Oregon and want to see us be viewed as strong players in the future that is unfolding right in front of us.

TSMC has committed \$165B in Arizona – opening 4 advanced manufacturing fabs and semiconductor assembly factory. They are planning to build a “city within a city” which will bring tremendous economic boost to that area in Arizona – nothing even close to that size can be accommodated at any site here in Washington County. Has any major semiconductor or an ecosystem related company agreed to invest even a small fraction of that in Washington County in the last 2 yrs since the chips act was put into play? What's growing here is a fraction

of what's happening in other states like Arizona, Texas....Even companies like CST are being forced to think about future growth that is near such major tech hubs.

Farming is great. I love our farmers markets and fully support farming, nature conservation, clean air, clear rivers. But farming is not a growth industry. My quick search online gave me the following data:

Semiconductors represent an extreme "high-value" use of land. A single 200-acre semiconductor campus can generate billions in annual revenue, whereas a 200-acre wheat farm in Umatilla County might generate approximately \$100,000 to \$200,000 in gross revenue depending on yields and market prices.

Semiconductor related industries are what will drive growth in the next 30+ yrs and will transform the lives of many generations in the states that are ensuring that the growth comes to them, away from Oregon.

Without available land, we can't even start the dialogue with the likes of TSMC, Micron and Intel on growing here. It's like asking a company to grow with no money – it's a non-starter and turns into a self-fulfilling prophecy.

Available land and tax credits will allow Oregon to start competing. Nothing is guaranteed. But we can't even start the economic engine that will propel many states and this country for decades to come, without urgently passing SB 1586.

Generating more high paying jobs is what will generate more tax revenue for the state to drive more programs for housing, child care/education, in addition to the tremendous "ripple effect" across many other industries like restaurants, hotels, local travel.....Raising taxes on the current population is a recipe to drive those high earners out of the state to places in Arizona, Texas, Florida. People want to live here – we need to make it a good economic argument.

I FULLY SUPPORT SB 1586! We need to move quickly!! We are missing the flight of the future economic growth – It's happening FAST and we need to urgently take this action to pass SB 1586 and create bright future for Oregonians in the decades to come.

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