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October 9, 2022

Re: Interim Final Rule - Implementation of Additional Export Controls: Certain Advanced Computing and Semiconductor Manufacturing Items; Supercomputer and Semiconductor End Use; Entity List Modification (October 7, 2022) (RIN 0694-AI94)

[Applied Materials](#) is a global leader in materials engineering solutions for the semiconductor industry and a major U.S. exporter and employer.

Our comments address two potentially unintended consequences of the new rule which may harm the industry's ability to manufacture products for U.S. and global customers.

**Global Supply Chain.** Today, the wafer fabrication equipment (WFE) industry depends on a global supply chain that includes suppliers based in China producing parts and components integral to products supplied to U.S. and global semiconductor manufacturers. The new rule under EAR § 744.23 creates additional licensing requirements for the export to China of certain technology that otherwise would not require a U.S. export license. This significantly hinders the ability of U.S. wafer fabrication equipment manufacturers to produce, in collaboration with their global suppliers, a wide range of 3B991 and 3B992 parts and components that are critical to support the worldwide semiconductor supply chain.

Accordingly, we respectfully submit that BIS reconsider the new restrictions on exports, reexports, and transfers to or within China of technology with low levels of control (controlled for AT reasons or below). Alternatively, we request a change to the licensing policy, issuance of a general license, and/or a delay in the implementation of this rule to allow the industry to find or create alternative sources of supply.

**Support for Multinational Companies (MNCs) in China.** In addition, the new restrictions on U.S. person support at EAR § 744.6(c)(2), including at semiconductor fabrication facilities, operating divisions, and branches of certain MNCs in China, but headquartered in the U.S., South Korea, and other countries, will disrupt those MNCs' development and production activities that are otherwise consistent with the EAR.

We respectfully request that implementation of this aspect of the rule be further delayed or a general license issued to allow U.S. persons to continue to provide support to MNCs in China so that current semiconductor production is not impaired.

Applied Materials appreciates the opportunity to comment on the rule and the U.S. Department of Commerce's consideration of measures to mitigate the unintended harm caused to U.S. industry and the global semiconductor value chain.