



February 13, 2023

Senator Janeen Sollman  
Representative Janelle Bynum  
Joint Committee on Semiconductors  
Oregon State Legislature  
900 Court Street  
Salem, Oregon 97301

Dear Co-Chairs and Members of the Committee:

Lam Research, Oregon's 10th largest private employer, is proud to be a long-time member of the Oregon business community. Our facilities in Tualatin and Sherwood provide excellent family wage jobs to over 4,000 employees. Lam, which is a key partner of the world's largest semiconductor producers, has made a long-term strategic investment in the state. We intend to grow and thrive in Oregon.

As the legislature looks at ways to keep and expand well-paying technology jobs here in the state, we see one key incentive lacking—the Research and Development tax credit. In the 15 states where Lam conducts R&D activities, all the states besides Oregon offer an R&D tax credit.

Much of what Lam does involves research into new and cutting-edge technologies. Semiconductor producers have been able to continue to make their stunning innovations based largely on the remarkable manufacturing developments and production tools that Lam has pioneered. While we pride ourselves in self-funding much of our research and development, there have been instances recently where state support could have brought additional advances to the region. Yet, Oregon's incentives are currently based almost exclusively on a "per-job" calculation. This simply does not pencil out in terms of research. Many R&D projects initially only create a handful of jobs or put existing workers to task on a new and promising project. But the long-term potential benefits are often dramatic. In the case of our recent proposal, the R&D tax credit would have been the key to unlocking this project and its vast potential.

We would strongly encourage Oregon's Legislature to include a robust R&D tax credit in the Semiconductor package. This is one area which could help catapult Oregon to the forefront of semiconductor development, job creation, and economic growth. If Oregon wants to compete with New York, Ohio, Arizona, etc., it must have at least a level playing field when it comes to basic tools like the R&D tax credit.

Thank you for your service on this important committee. If you have time during the Legislative Session – or after – we would love to host you for a tour of our facilities in Tualatin and Sherwood. Please let our local government affairs associate, Doug Riggs, know when we might be able to arrange such a visit.

Sincerely,



Sesha Varadarajan  
SVP, Lam Research Corp.  
Tualatin, Oregon