Before the
DEPARTMENT OF TRANSPORTATION
Washington, DC 20003

In the Matter of	)	
	)	
America's Supply Chains and the Transportation	)	
Industrial Base	)	Docket No. DOT-OST-2021-0106
	)	
	)	

COMMENTS OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION

The Telecommunications Industry Association ("TIA") appreciates the opportunity to provide input regarding potential risks to America's Supply Chains and the Transportation Industrial Base.[1] TIA represents more than four hundred U.S. and global manufacturers and vendors of information and communications technology ("ICT") equipment and services. Our members span every part of the ICT supply chain all the way from America's largest semiconductor companies; to global manufacturers of handsets, base stations, and routers; to companies that design and deploy satellite internet services. TIA does not frequently provide comments to the Department of Transportation, but we felt compelled to make our voice heard in this docket because of the interconnection of the telecommunications and automotive supply chains, particularly in the context of the current semiconductor supply chain crisis. With this in mind, our comments will narrowly focus on the issue of semiconductor-related risks and focus on the importance of technology-neutral responses to the current semiconductor shortage.

[1] *America's Supply Chain s and the Transportation Base*, Notice, Department of Transportation, 86 FR 51719 (Sep. 16, 2021).

As noted by the American Automotive Policy Council ("AAPC") in their comments on the semiconductor shortage to the FCC, the lines between the automotive and communications sectors have increasingly become blurred.[2] Automobiles rely on access to high-quality telecommunications networks to support navigation, vehicle to infrastructure communications, and to support emergency services. The same is true of ships, trains, and other modes of transportation. As a result, any action taken by the Department of Transportation or other federal agencies to prioritize or support the automotive sector or any other end-user could have a long-term negative impact on the transportation sector as a whole. Outside of transportation, using the power of the federal government to support any particular end-use, such as automobiles, would negatively impact other sectors that rely on the semiconductor supply chain. Such an action would also weaken market incentives in an innovative, R&D-intensive sector that needs more, not less, predictability as it considers deeper investments in the United States.

The telecommunications sector – which is the largest end-user of semiconductors constituting 50% of all semiconductor end-use[3] – has been substantially impacted by the semiconductor shortage. The current semiconductor shortage has unfortunately impacted our members and the ICT industry as a whole in significant ways. According to our membership, this shortage has resulted in a price increase for telecommunications equipment, as well as a drastic increase in the total length of the production cycle, which has, in some cases, tripled in length from 16 weeks to 50 weeks for some ICT products. The shortage also has impacted the

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[2]Comments of the American Automotive Policy Council, Federal Communications Commission WT Docket No. 21-195 (June 10, 2021) (*available at* https://ecfsapi.fcc.gov/file/106100007611472/AAPC%20Submission%20on%20FCC%20Semiconductors%20Supply%20Chains%20(Docket%2021-195)%20FINAL.pdf).

[3] *Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth: 100-Day Reviews Under Executive Order 14017,* The White House (June, 2021) (*available at https*://www.whitehouse.gov/wp-content/uploads/2021/06/100-day-supply-chain-review-report.pdf).

ICT workforce, as some manufacturers have had to lay off workers due to this increased cost and production cycle.

These shortages and delays in production come as the U.S. as a whole has come to rely on telecommunications and ICT equipment in unprecedented ways. Due to the ongoing COVID-19 pandemic, Americans have drastically increased their reliance on our networks and equipment in order to stay connected, continue working, learn remotely, and even access basic services. The impact on children in particular has been stark and tragic. According to a survey by Pew Research, 16% of surveyed parents note that their children were unable to complete their schoolwork because they did not have access to a computer and internet connection at home. For people of color, the impact is even starker. Children in one in four black families were unable to complete homework because they lacked access to a reliable computer or connection.[4]

Action to favor the transportation sector in access to semiconductors would come at the expense of Americans working from home, children trying to access remote education, and could weaken the connected future of the transportation sector itself. Further, while the automotive sector has emphasized the jobs impact that the shortage and their supply chain choices have had, the number of jobs supported by access to broadband internet is far greater. TIA supports action by the government to mitigate the impact of the semiconductor shortage, but we believe that such action should be technology-neutral and avoid picking winners and losers. We urge the Department of Transportation to not take any action that might inadvertently adversely impact the telecommunications and ICT sector, which has played a crucial role in keeping Americans

[4] *See eg.* Schaeffer, Katherine. *What We Know About Online Learning and the Homework Gap Amid the Pandemic,* Pew Research Center (Oct. 1, 2021) (*available at* https://www.pewresearch.org/fact-tank/2021/10/01/what-we-know-about-online-learning-and-the-homework-gap-amid-the-pandemic/).

connected, working, and learning through the extraordinary shift to remote living that would have been unfathomable before the ongoing pandemic.

We appreciate the opportunity to provide input to the administration on this topic, and we look forward to additional opportunities to work with the Department of Transportation on the development of effective policies in this area.

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