The Ohio Manufacturers' Association

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OUR TAKE ON ISSUES AFFECTING OHIO'S COMPETITIVENESS

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What Intel's New Chip Plant Means for Ohio and Its Manufacturers

Q&A with Jim Evers, Intel Ohio General Manager

Intel's new Ohio chip-making facility is expected to be the largest in the world. It is a transformative project for Ohio's economy and America's manufacturing community.

Intel Ohio General Manager Jim Evers recently went on the record with OMA President Ryan Augsburger regarding the company's plans for Ohio, its workforce strategy, and how Ohio manufacturers can become part of Intel's supplier community.

AUGSBURGER: What are your impressions of Ohio now that the project is moving forward – and what has the response been from the manufacturing community and Ohio's leaders?

EVERS: From the very beginning, Ohio has met us with enthusiasm and a can-do mindset. With ready access to top talent and deep roots in manufacturing, Ohio is an ideal location for Intel's U.S. expansion as we work to strengthen the U.S. supply chain and restore its leadership in semiconductor manufacturing. Together, we are building the new Silicon Heartland.

AUGSBURGER: Intel's massive economic impact on central Ohio is obvious, with a $20 billion private capital investment, plans for 3,000 Intel employees on site, and an estimated 7,000 construction jobs over the next few years. But what benefits can the rest of Ohio expect?

EVERS: All of Ohio will benefit, not just the thousands of people who will directly support our planned investment. All the construction workers and tens of thousands of suppliers' employees will pay taxes. Intel already has more than 100 suppliers across Ohio. Many of those suppliers will do even more with us now. Just one example is The Lubrizol Corporation, outside of Cleveland, which is collaborating with Intel on an immersion fluid for data center thermal management.

Our company executives have already met with college and university leaders from across Ohio who are committing to refine curricula to help produce the talent modern manufacturers need to compete globally. Intel will directly invest $50 million across Ohio to help educators and students.

AUGSBURGER: How can Ohio manufacturers learn more about opportunities to become an Intel supplier? Are supplier opportunities available only to manufacturers in central Ohio?

EVERS: Our Ohio investment will establish an entirely new industry in the Midwest, the new Silicon Heartland. This will have positive implications across the entire state and beyond. We encourage all Ohio businesses interested in participating in our supply chain, both upstream and downstream, to get in touch. Interested parties can visit www.intel.com/ohio to learn more about how to become an Intel supplier.

AUGSBURGER: Can you talk about Intel's approach to sustainability and how that will manifest itself in your Ohio facilities?

EVERS: Sustainability and environmental protection are core principles of Intel's approach to manufacturing. Through conservation, strong collaborations, and application of technology, we have long worked to reduce the environmental impact of our operations. We have partnered with governments, other companies, suppliers, and nonprofits to help others reduce their own environmental impacts. Intel's "2030 RISE" goals help answer the call for even more urgent action by expanding efforts to achieve carbon neutral computing. Our 2030 RISE operational and supply chain goals, all of which will come into play in Ohio, include:

- Sustainable power: 100% renewable electricity use across our global manufacturing operations.
- Energy conservation: Conserve 4 billion kWh of energy.
- Emissions reductions: Drive a 10% reduction in our absolute Scope 1 and 2 GHG emissions as we grow, informed by climate science.
- Product energy efficiency: Increase product energy efficiency ten times for Intel client and server microprocessors to reduce our Scope 3 emissions.
- Net-positive water: Achieve net-positive water by conserving 60 billion gallons of water and funding external water restoration projects.
- Zero waste to landfill: Achieve zero waste to landfill and implement circular economy strategies for 60% of our manufacturing waste streams in partnership with our suppliers.

In addition, in April, we announced a new goal to achieve net-zero greenhouse gas emissions across our global operations by 2040. We are proud of the actions we have taken to reduce our environmental impact and of our plans for the future.

AUGSBURGER: There is a lot of enthusiasm for the economic benefits of Intel's Ohio project. What should Ohioans know about other kinds of benefits, such as national security implications?

EVERS: Semiconductors power our military's advanced weapons systems and support almost every American industry. No automaker, retailer, computer, farm, or factory floor can operate without chips.

Among the many lessons of COVID-19 is that chip shortages can sideline entire segments of the economy. Without U.S. investment in our domestic semiconductor manufacturing capacity, our economy, our military, and our society as a whole will remain vulnerable to disruption.

Despite the growing importance of this technology to the U.S. economy and our technological leadership, America's share of domestically produced semiconductors declined from 37% to 12% since 1990, driven by substantial incentives offered by other countries that created a 20-50% cost disadvantage to manufacturing chips in the U.S.

Support of the semiconductor industry is a matter of national security and securing America's future. Modern defense systems rely directly and indirectly on sophisticated electronics powered by advanced semiconductors.

AUGSBURGER: Staying on that topic of national security, what is needed for the U.S. to regain global leadership in semiconductor manufacturing?

EVERS: The United States must invest in semiconductors. The Department of Defense and Congress identified semiconductor-powered technology areas as strategic areas of investment, including AI, quantum computing, robotics, and automation. The Pentagon unequivocally called for federal investment in the semiconductor industry. In its 2020 Industrial Capabilities Report to Congress, the DoD wrote that if America does not start investing at the national level, it will create "frightening vulnerability to foreign cut-offs whose impact would make our COVID-related shortages look miniscule."

National security and other critical areas of future economic growth depend on semiconductor investment. The U.S. currently does not have any production capacity for advanced leading-edge chips, which will power 5G networks, cloud infrastructure, AI, clean energy, autonomous mobility, and quantum computing.

AUGSBURGER: What would you say to those who are concerned about the impact Intel will have on the supply of skilled manufacturing workers in Ohio?

EVERS: We strongly believe that investing in education is necessary to ensure we have the right talent to support our growth and help the U.S. regain leadership in semiconductor manufacturing. Our goal is to bring these programs and opportunities to a variety of two-year and four-year colleges, universities, and technical programs, because it is critical that we expand and diversify STEM education. Intel is committed to preparing Ohio's and the nation's workforce with the technology skills needed now and into the future.

We recently announced details of a $100 million investment over the next decade to establish semiconductor manufacturing education and research collaborations with universities, community colleges, and technical educators across the U.S. Half of that investment — $50 million — is going directly to Ohio's higher education institutions.

The investment will give a major boost to education and workforce development. Through this investment, Intel will establish comprehensive and collaborative programs with higher education institutions to accelerate readiness and enable the workforce needed for operations of its new semiconductor fabrication facilities and of ecosystem partners. The investments will provide resources for creating new curricula for associate and undergraduate degrees, certifications, faculty training, reskill and upskill programs for the existing workforce, laboratory equipment upgrades, and research supporting semiconductor fabrication innovation.

AUGSBURGER: Anything else OMA members should know about Intel – the kind of company it is, or what kind of role it will play in industry affairs here in Ohio?

EVERS: Intel has a long history of corporate responsibility at its current sites around the world and it is committed to building strong relationships with the Ohio manufacturing community. Building this semiconductor mega-site will create a vibrant ecosystem of innovation of supporting services and suppliers. Ohio is an ideal location for Intel's U.S. expansion because of its access to top talent, robust existing infrastructure, and long history as a leader in manufacturing.

AUGSBURGER: Thank you for sharing this important insight with Ohio's manufacturing community.

EVERS: Thank you. We could not be happier to be in Ohio. Intel, more than anything else, is a manufacturer. We are building chips, but we are also working hard to build a more resilient supply chain and to ensure reliable access to advanced semiconductors for years to come. We intend to bring leading capability and capacity back to the United States for advanced chipmaking. And as your members know, all modern manufacturing is advanced manufacturing. Together, with Ohio-made chips for Ohio manufacturers, we will contribute to Ohio's heritage as a manufacturing powerhouse.