Outproducing the CCP: Restoring American Manufacturing
Testimony before the U.S. House Select Committee on Strategic Competition Between the United States and the Chinese Communist Party
Pat Gelsinger, General Partner, Playground Global
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Good morning. Thank you Chairman Moolenaar and Ranking Member Khanna for having me today. As your latest report has demonstrated yet again, the unique, cross-jurisdictional work of this Committee is extremely valuable for driving comprehensive policy solutions. I appreciate your bipartisan leadership on U.S. manufacturing policy because future American competitiveness will depend on our ability to build, scale, adapt, and protect the critical supply chains that underpin our innovation base.

In some ways, I have no business being in this chair today. I am a farm kid and community college graduate from rural Pennsylvania who stumbled upon the tech world after, by some fluke, passing a trade school test with flying colors. I started as a technician and, after many years of hard work, had the privilege to lead two prominent American companies. The fact that someone like me could go from milking cows and harvesting wheat, hay, and corn to overseeing the production of high-end chips is a quintessentially American story.

I view my decision to take that trade school test as both a great accident and a clear sign of my calling to champion U.S. science, manufacturing, and technology. I am proud to embody the American dream and will spend the rest of my career fighting for the industries that embraced a farm kid like me.

I have seen a lot over the course of my career. It was around the time that I started in the industry that China began its foray into the global economy. When you think about America's sheer industrial might during World War II – when we transformed automobile factories into weapons assembly lines – China's experimentation at the time would appear inconsequential.[1] But as we have all seen, China knows how to play the long game, and we are now feeling the impacts of the Communist regime's early and deliberate decisions to undercut America's manufacturing capacity.

Take a look at the bottom of your consumer products. It is no coincidence that nearly all of them say "Made in China." When we welcomed China into the World Trade Organization in 2001, we hoped they would seize this economic opportunity to adopt our world view and build a productive relationship with the United States. Instead, we accelerated their rise as a manufacturing powerhouse, enabling them to implement a strategy for building long-term supply chains. Whereas in 2005 China only accounted for nine percent of global manufacturing, the

[1] Herman, Arthur. *Freedom's Forge: How American Business Produced Victory in World War II*. Random House, 2012.

country now exceeds America's share by about 10 percentage points.[2] That is a dramatic –and intentional – shift in just a 20 year period.

What is most concerning is that we have gone beyond basic consumer products like textiles to sensitive technologies, such as drones, 5G, electric vehicles (EVs), biotechnology, and semiconductors. Given the U.S. trade deficit in goods for advanced technology products keeps growing, it is time we reassert our ability to execute successful industrial strategy.[3]

We cannot allow China to dominate manufacturing in advanced technology fields because we will see more than economic distortion. We will see China use these technologies against us, our allies, and our partners to advance its world view.

The Semiconductor Story

Semiconductor manufacturing is a great example of both successful industrial strategy and the consequences of offshoring. "Silicon Valley" got its name because the United States invented the semiconductor. Americans invented the transistor and the integrated circuit, and, with a nod to Intel, the microprocessor that became the foundation of so many technologies today, from refrigerators to artificial intelligence (AI).

However, no matter how great the invention, it will not commercialize without capital. The U.S. Government recognized the potential of early semiconductor technology and invested heavily to accelerate research and development, serving as the technology's primary customer.[4] This productive partnership dating back to the 1950s enabled semiconductor technology to scale, such that global demand grew.[5]

As a result of this demand and new market entrants, the United States began gradually offshoring manufacturing and operations roles to remain cost-competitive.[6] While offshoring semiconductor manufacturing may have reaped financial gains in the short-term, the long-term consequences of this decision are significant. Whereas the United States produced about 37 percent of semiconductors, capacity dropped to about 10 percent by 2022.[7] We are in short-supply of skilled, domestic manufacturing talent and our supply chain resiliency is fragile, with the COVID-19 pandemic revealing just how fragmented and highly specialized the semiconductor industry has become. Indeed, over 90 percent of the world's advanced semiconductors are manufactured in Taiwan, which faces a looming threat from China.[8] If we

[2] https://www.visualcapitalist.com/charted-the-worlds-top-manufacturers-2025-2025/
[3] https://www.census.gov/foreign-trade/balance/c0007.html#2023
[4] Miller, Chris. *Chip War: The Fight for the World's Most Critical Technology*. Scribner, 2022.
[5] https://www.simon-kucher.com/en/insights/1950s-laying-groundwork
[6] https://www.gao.gov/assets/gao-06-423.pdf
[7] 2025-state-of-the-u-s-semiconductor-industry
[8] https://www.trade.gov/country-commercial-guides/taiwan-semiconductors-including-chip-design-ai



lose this capacity, we lose the core technology that enables us our daily lives, our technological breakthroughs, and our military advantage.

Fortunately, the United States has started to course correct our offshoring decisions. I am proud of my personal role in bringing the CHIPS and Science Act to fruition – a bipartisan piece of legislation that is proving, once again, that America knows how to do industrial strategy. We have a ways to go, but through key investments made by the Commerce Department, we have started to reclaim some capacity. According to the Semiconductor Industry Association and Boston Consulting Group, by 2032, the United States is expected to increase its global share of semiconductor manufacturing from 10 to 14 percent – a 203 percent increase that will be the world's largest growth rate for fab capacity.[9] We are also creating supply chains; our share of advanced logic chip fabrication is projected to increase from zero percent to 28 percent by 2032. Without the CHIPS and Science Act, our share would have slipped to eight percent.[10]

If we keep this up, as well as coordinate with trusted allies and partners who have similar objectives, we can achieve semiconductor manufacturing base resilience. I emphasize resilience here because our goal should not be independence, but to ensure we have enough, reliable capacity and know-how to adapt our semiconductor industrial base during a crisis – just as we did with our industrial base during World War II.

While COVID-19 was a wakeup call for semiconductors, this cannot be our only area of concern. In a world that now values speed, scale, and expendability – from consumer items to the battlefield – we need the skills and tools, and to protect the ingenuity, that will enable America to stay competitive.

How to Manufacture in the United States Again

Reshoring manufacturing capacity across supply chains to America is possible, but will require us to do two things: harness robotics and automation technologies and act now to ensure emerging supply chains are built in the United States.

Automation and robotics technologies are essential to reshoring manufacturing and their supply chains, creating resilience and reshoring critical jobs that are in Asia today. Given China's population is four times that of the United States, it is imperative we recognize that automation and robotics technologies will unlock capacity that does not currently exist in America.

At Playground Global, our investment thesis is simple: we invest in robots that help, not replace, everyday workers on the manufacturing floor. RobustAI, for example, offers robots that transport materials, track high-value items, and help optimize high-value space. These

[9] https://www.semiconductors.org/wp-content/uploads/2024/05/Emerging-Resilience-in-the-Semiconductor-Supply-Chain_SIA-Summary.pdf

[10] https://www.semiconductors.org/wp-content/uploads/2024/05/Emerging-Resilience-in-the-Semiconductor-Supply-Chain_SIA-Summary.pdf



complementary tasks reclaim worker walking time so they can focus on executing priorities. Agility Robotics, another Playground company that was recently taken public, is also demonstrating how humanoids can be assigned specific tasks to boost worker productivity. Agility's humanoids are a force multiplier by helping workers reduce repetitive and strenuous tasks, such as handling totes.

The benefits of robotics and automation technologies go well beyond improving worker productivity. Just as we invented the assembly line, America must harness technology to re-innovate the factory setting for the 21st century. One of Playground's newest portfolio companies is demonstrating that reshoring manufacturing with robotics and automation enables the trifecta: more efficient supply chains, job creation in the United States, and resilience of supply. Productive work environments yield more productive workers – and more of them as capacity scales.

As we are learning with semiconductors, it is extremely hard–though not impossible–to relocate supply chains. They sediment over long periods; relationships, infrastructure, and expertise are set. That is why for emerging supply chains, we must ensure we build them where we want them. We do not need to reshore if we build on friendly shores. Quantum is a great example of a nascent supply chain we can create. Identifying key chokepoints, such as cryogenic technologies and rare earths, will enable the U.S. and allied governments and the private sector to strategically invest in reliable supply chain capacity – ensuring trusted nations sustain advantage in critical and emerging technology areas.

Policy Recommendations

The United States must stay ahead of China and shape the critical supply chains that will define the next century. To ensure the United States can successfully bolster its manufacturing capacity, I offer the following recommendations:

1. **Extend the 48D advanced manufacturing investment tax credit.** This is a top personal priority of mine, given I advocated for its inclusion in the CHIPS and Science Act. By offering companies tax breaks for building on American soil, the 48D tax credit is the single most powerful incentive for fab construction. It also expires in just a few weeks. Extending this incentive should be a priority if America wants a strong, domestic semiconductor supply chain. Congress should also consider expanding its scope to chip design, materials, and SME component manufacturing, which would ensure the whole supply chain is captured.

2. **Ensure the public and private sectors capture supply chains before they are built elsewhere.** The Department of Commerce has done a fantastic job tailoring investments to U.S. needs. For example, recognizing that specific EUV machines are currently needed to make advanced chips, Commerce invested in xLight, which is building high-powered, free electron lasers to increase output in EUV machines. Other areas of focus to consider include restarting the National Advanced Packaging Manufacturing Program on milestone-based terms, given America's current reliance on Asia for advanced packaging and memory; naming III-V epitaxy and lasers; cryogenic and superconducting components; and quantum-grade photonics. The U.S. Government should know that investing in specific manufacturing and supply chain chokepoints is vital to achieving resiliency because they are not typically where private capital invests.

3. **Protect the supply chains we build.** We must be clear-eyed about China's intentions and what they have to gain from our technology if they find a way to manufacture it themselves. For example, while the United States has done a great job protecting EUVs, which produce advanced chips, this action is proving insufficient. We must now move swiftly to end DUV machine sales–which produce equally important and often overlooked memory and legacy chips–to China. The United States must also ensure we keep our supply chains pure from adversarial technologies to avoid overreliance or vulnerabilities. We can begin by ensuring CXMT chips are not allowed to be shipped to the United States or its allies and partners. Coalescing partners such as AUKUS or the Five Eyes around a clean and secure supply chain mission can ensure we hold ourselves accountable to only manufacturing for like-minded nations. Most importantly, in the absence of a secure supply of semiconductors, the United States must constrain AI chip exports to China.

4. **Invest in talent now.** Strengthening manufacturing capacity requires a range of skills, from PhDs to fab construction workers. In addition to training and retaining Americans into these roles, we must ensure visa and green card policies support our end goal of quickly getting talented people into our manufacturing workforce. This could include immediately issuing green cards to individuals who receive advanced degrees from U.S. institutions while amplifying our own recruitment efforts to attract students into both technician roles and advanced science degree programs. Our nation cannot continue innovating without the people to drive it forward – both the enablers and the innovators.



Conclusion

We offshored our blue collar work to keep costs down, and we are now paying the price of Wall Street's capital-light, profit maximizing resulting in dependence – both in talent and industrial base capacity.

America should not resign itself to this reality. We must harken back to World War II and remember that we have proven how to do industrial strategy successfully. We even have the authorities to do it. This hearing confirms that we have the political will and attention – now we must spring into action.