

Biden plans executive order after semiconductor crunch

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Ford has trimmed production of its top-selling F-150 pickup truck in Dearborn, Michigan due to the semiconductor shortage

The Biden administration is assessing immediate steps to address the semiconductor shortage and plans an executive order to shore up critical

supply chain items, a White House spokeswoman said Thursday.

"The administration is currently identifying potential choke points in the [supply chain](#) and actively working alongside key stakeholders in industry and with our [trading partners](#) to do more now," said White House spokeswoman Jen Psaki at a daily briefing.

Psaki said the semiconductor supply shortage is also an impetus for an executive order to commission a "comprehensive review of supply chains for critical goods" that can guide both short- and long-term actions.

"The review will be focused on identifying the immediate actions we can take, from improving the physical production of those items in the US to working with allies, to developing a coordinated response to the weaknesses and bottlenecks that are hurting American workers," Psaki said.

Automakers have been especially hard hit by the supply crunch for semiconductors, which stems in part from outsized demand for personal electronics during the pandemic.

In the last week, both Ford and General Motors have been among the carmakers that have signaled an expected 2021 earnings hit of at least \$1 billion each due to curtailed car output.

GM has temporarily shuttered three plants through mid-March, while Ford said it was trimming production of its top-selling F-150 truck.

GM Chief Executive Mary Barra said Wednesday company was tweaking its production plans as it tries to track down more chips. The company's options include holding onto some mostly-completed vehicles and not shipping them to dealers until semiconductors could be installed

The Semiconductor Industry Association Thursday called for Biden to include "substantial funding" for [semiconductor](#) manufacturing and research in the administration's [economic recovery](#) and infrastructure plan.

The supply crunch on semiconductors has also raised questions about the adequacy of other critical items, such as electric battery cells that will be needed to enable a ramp-up in electric auto production touted by US automakers and the Biden administration.

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