Intel CEO 'thrilled to be launching the Silicon Heartland in Ohio'

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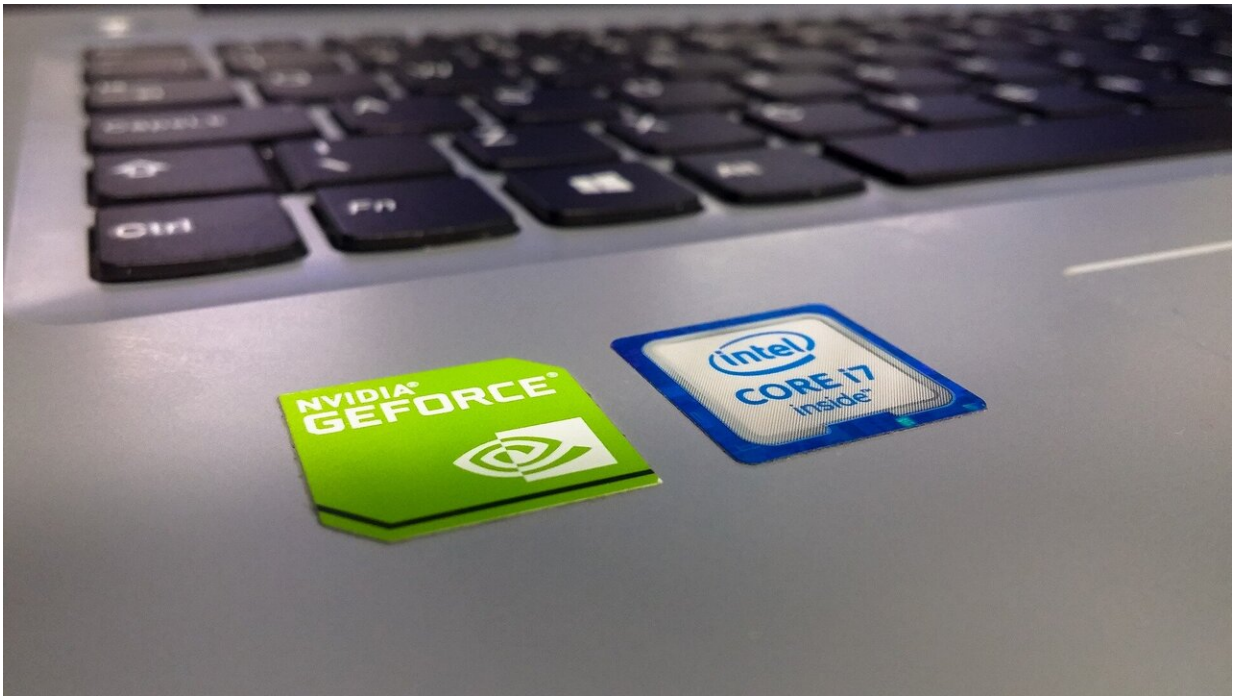

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Intel's promise to invest $20 billion to build two semiconductor plants in Licking County could be just the start for what the Silicon Valley giant has in mind for Greater Columbus, the company's CEO told The Dispatch.

The plants, also called fabs, will employ 3,000 workers, and 7,000

construction workers will be needed to build them, Intel said in officially announcing its plans after months-long rumors of a massive economic development project on the horizon.

"We want to grow this to be a megafab location that is one of, if not the biggest of, any semiconductor location on the planet," CEO Pat Gelsinger told The Dispatch in an interview Thursday.

The factories will be built on 3,190 acres in Jersey Township that New Albany is annexing. The nearly 1,000 acres that Intel plans to use can accommodate as many as eight chip factories, representing the state's biggest economic development project in history.

That could mean $100 billion in investment over the next decade and 10,000 workers. Each Intel job could mean another 10 additional jobs, Gelsinger said.

"This is just one of those catalytic programs that literally is going to take New Albany from a wonderful little town to becoming one of the high-tech mega-centers on the planet," he said.

Building a 'mini-city' around the Intel superconductor location

Beyond the factories and suppliers, neighborhoods will be started along with restaurants, schools and safety forces, he said.

"This is building a mini-city when you start talking about those numbers, and creating a magnet for other tech companies to come around us," Gelsinger said.

Intel said Air Products, Applied Materials, LAM Research and Ultra

Clean Technology have indicated they plan to establish a presence in the region, and that more companies are expected.

"We're thrilled to be launching the Silicon Heartland in Ohio," Gelsinger said.

Intel plans to break ground on the project by the end of 2022.

"When this goes into production in the second half of 2025, there will not be more advanced chips being manufactured anywhere in the world," Gelsinger said.

Intel chips to be used in PCs, servers, cars, and more

It is Intel's first new manufacturing site in 40 years.

The investment will help boost production to meet the surging demand for advanced semiconductors, powering a new generation of products from Intel and serve the needs of its customers.

The chips that the plants will produce will be used for everything from personal computers, servers, cloud devices to cars to manufacturing and industrial products, he said. The plants will make Intel chips along with chips for customers.

"Our objective is get moving as fast as humanly possible on getting this project underway," Gelsinger said. "There is a global semiconductor shortage. I need more capacity."

Ohio made Intel feel welcome in bid for superconductor location, CEO says

Gelsinger said he didn't expect Ohio to win the competition for the site.

The company chose Ohio over 35 to 40 sites across many states, and Gelsinger said the state made Intel feel welcome.

"I want to give a lot of credit to the governor and lieutenant governor. They pursued us very aggressively," he said.

Ultimately, Ohio stood out because of its manufacturing history, workforce, location, access to talent throughout the Midwest, and its military ties.

"We have found great success in bringing the highly disciplined military folks into our highly disciplined, high-tech manufacturing," he said.

To support the development of the new site, Intel is pledging an additional $100 million toward partnerships with Ohio universities, community colleges and the U.S. National Science Foundation to build a pipeline of talent and bolster research programs in the region.

These partnerships will span a range of activities, from collaborative research projects to building semiconductor-specific courses for associate and undergraduate degree programs.

Manufacturers and policymakers have been eager to bring production of semiconductor chips back to the U.S. as a result of a global supply chain crunch during the pandemic.

Currently, 12% of the world's chips are made in the U.S., down from 37% in the 1990s, according to industry officials. About 80% are made in Asia.

'Getting more digital': Expectations for the demand

of chips as industries change

Demand for chips is expected to continue to grow throughout the economy, including cars as the industry moves from gas-powered vehicles to electric and to autonomous, he said.

"As you go across every industry, name any aspect of your life or your family's life that is not getting more digital," Gelsinger said.

Bringing production back to the U.S. is vital, he said.

"This critical commodity of semiconductors is more important for the next several decades than oil and the location of oil reserves has been for the last several decades," he said.

"Let's build these things where we want them," Gelsinger said. "It's in our economic interest. It's in our national security interest."

How fast Intel can develop the sites depends on Congress, which is debating legislation that would provide incentives to bring chip-making back to the U.S.

The Senate passed the U.S. Innovation and Competition Act in June that provides $52 billion in federal investments for research, design and manufacturing. The legislation is pending in the House.