

**JOINT STATEMENT ON THE SIXTH MEETING OF THE
WORLD SEMICONDUCTOR COUNCIL (WSC)
MAY 16, 2002
NEWPORT BEACH, CALIFORNIA**

The European Semiconductor Industry Association (EECA-ESIA), the Japan Electronics and Information Technology Industries Association (JEITA), the Korea Semiconductor Industry Association (KSIA), the U.S. Semiconductor Industry Association (SIA), and the Taiwan Semiconductor Industry Association (TSIA) today held the sixth meeting of the World Semiconductor Council (WSC). This meeting, held in Newport Beach, California, is the third meeting conducted under the "Agreement Establishing a New World Semiconductor Council" approved at the third WSC meeting signed on June 10, 1999.

It is the purpose of the WSC to address issues of global concern in the semiconductor industry with a goal of expanding the global market for information technology products and services, and promoting fair competition and technological advancement and sound environmental, health and safety practices. The WSC encourages cooperation in such areas as protection of the environment and intellectual property rights, trade and investment liberalization, and market development. All WSC activities are guided by principles of fairness and respect for market principles consistent with World Trade Organization (WTO) rules and with the laws governing the respective WSC member associations. The WSC reaffirmed that markets should be open and competitive. Antitrust counsel were present throughout the meeting.

The meeting was chaired by Agere Systems CEO John Dickson (SIA), and opening statements were made by Koichi Nagasawa of Mitsubishi (JEITA), Scott McGregor of Philips (EECA-ESIA), Yoon-Woo Lee of Samsung (KSIA), and Morris Chang of Taiwan Semiconductor Manufacturing Company (TSIA) representing each association.

During the meeting, the following reports were given and discussed, and actions taken.
Cooperative Approaches to Protecting the Global Environment

The WSC is firmly committed to sound, scientifically based, positive environmental policies, recognizing the major contribution the semiconductor industry worldwide is making and will continue to make toward protection of the global environment.

(1) PFC Emission Reduction The companies represented by the members of the WSC are continuing efforts to reduce the emissions of PFC gases. To that end, the WSC has pledged to reduce PFC emissions by at least 10% by 2010 against the base year, even as semiconductor production is increased. The base year for JEITA, EECA/ESIA and SIA is 1995, for KSIA it is 1997 and for TSIA it is 1998* (1998* represents the average of 1997 and 1999 emissions).

(2) Energy Savings One of the key reasons why the semiconductor industry has been so successful is the ability to provide better, more desirable products, in an environmentally friendly manner, while providing substantial benefits to our consumers. The efficient utilization of energy resources is an important ingredient to the realization of continued, cost effective manufacturing

for both semiconductor manufacturers and their suppliers. The WSC is dedicated to promoting cooperation and sharing of information amongst members of the semiconductor manufacturing community worldwide, with a priority focus on the issue of energy savings. To that end, the WSC adopted an Energy Savings Consensus Paper that charts a course for further cooperative work in this area.

(3) Chemical Management The WSC is continuing work in the area of Chemical Management. Through the WSC's ESH Task Force, a set of objectives has been formulated regarding chemical management. Those objectives include chemical risk assessment, pollution prevention, and evaluation of ESH regulations and legislation.

(4) ESH Guiding Principles Members of the WSC believe that it is necessary for our industry to be at the forefront of sustainable development, fostering world economic growth based on sound environmental practices - to this end, WSC members are committed to addressing environmental issues in a cooperative, "pre-competitive" manner. To achieve these objectives, the WSC approved a set of Guiding Principles - the WSC encourages its member associations to support the application of these Guiding Principles by their member companies. A copy of the Guiding Principles is attached.

Measures to Support the Growth of the 'Internet Society'

Semiconductors are the key enabling technology supporting the spread of the Internet and related applications. The growth of the Internet and the related information technology sector is improving education, creating new industries and improving existing ones, and it is speeding up communications capabilities. The growth of the Internet, and the related growth of internet infrastructure and appliances, is a leading driver for semiconductor demand. It is very important that trade in this area remains as open as possible, and that international rules and domestic regulations foster an open and competitive market.

Many governments/authorities and international organizations are formulating policies ;X from taxation and tariffs to privacy and security that will have a tremendous effect on the ability of this sector to continue growing. The World Trade Organization's (WTO) Doha Ministerial Declaration states "electronic commerce creates new challenges and opportunities for trade... and [WTO members] recognize the importance of creating and maintaining an environment which is favorable to the future development of electronic commerce." The WSC strongly supports this statement, and encourages our governments/authorities to pursue policies that will foster growth, rather than encumber the development of the Internet and electronic commerce. The best approach is one that encourages industry to take responsibility to the greatest extent possible, while at the same time governments establish a predictable and transparent regulatory regime. The WTO work program on e-commerce should include several features, including:

The moratorium which the Trade Ministers in Doha committed to maintain on customs duties on electronic transmissions through the next WTO Ministerial in 2003 should be made permanent;

International agreement should be reached to ensure that electronically delivered goods receive no (...)