

TI carefully aligns its global public policy priorities with the company's strategic business priorities and ethical values. This alignment ensures continued growth and profitability and also supports our commitment to corporate citizenship. In 2010, TI focused on the following priorities:

Growth

TI supported open trade policies and sound export control regulations and advocated for policies and incentives relevant to our growth priorities in global regions.

Innovation

In the U.S., TI advocated for investment in basic research national universities, especially in the fields of physical sciences and engineering, or in programs of particular relevance to the semiconductor industry. We supported the America Competes Act and various appropriations measures that provided funding in this area.

We engaged actively with federal, state and local governments to promote educational excellence at all grade levels in the U.S., particularly on initiatives to improve math and science proficiency and teaching effectiveness. In addition, TI actively supported programs designed to increase the pipeline of scientists and engineers through organizations like the Semiconductor Research Corporation.

TI also continued efforts to reform U.S. immigration policies affecting highly educated professionals to facilitate the transition from student to permanent resident, and to reduce backlogs for permanent resident visas. We opposed legislation that would restrict our use of visa programs and inhibit our access to U.S. university talent.

Tax issues

TI supported U.S. federal and state tax policies to encourage research and development (R&D), including an extension of the R&D tax credit. We also joined other companies in educating policymakers about the potential impact of proposed changes to the U.S. tax treatment of active overseas income. In particular, TI urged that any changes in this area should be addressed as a part of comprehensive reform of our tax system and not made on an ad-hoc basis to pay for other programs.

Environment, safety and health

TI has a strong record of commitment to worker safety, ensuring a safe workplace and being a responsible steward of the environment. In the legislative and regulatory area, we worked to promote laws and regulations at the federal and state level that are well-informed and responsible. We sought to modify or discourage those that place undue burdens on our company's operations or undermine our international

competitiveness. Although much of this work was U.S.-based, TI was engaged in regulatory activities in other regions of the world as well.

Operational flexibility

TI monitored and (as necessary) participated in policy debates that affected our operational flexibility, particularly in areas involving corporate governance, confidential business information, supply-chain integrity.

Energy

We supported many energy-efficiency initiatives and clean energy technologies. Incentives and policies to advance renewable energy, smart meters and energy efficiency in the U.S. and abroad were of particular interest.

Human resources

TI closely monitored policy proposals that could affect our ability to offer flexible and cost-effective health and retirement benefit policies for our employees. In the U.S. health care debate, we focused our attention on protecting the Employee Retirement Income Security Act (ERISA); promoting greater consumerism in health care; managing burdensome regulations and high costs; and promoting wellness to drive increased safety, efficiency, accountability and quality of care.

TI supported flexible policies in the workforce to ensure effective deployment of resources, encourage diversity, offer employees stimulating and rewarding career opportunities.

Patent reform

TI continued efforts to ensure that legislation to reform the patent system would support our significant R&D investments. We joined with a number of stakeholders – including universities and renewable energy, biotechnology, nanotechnology, venture capital, manufacturing and pharmaceutical companies — to ensure that relevant pending legislation would not dilute or undermine the value of our intellectual property.