Introduction

Silicon Border, a 10,000-acre high-technology industrial park in development along the U.S.-Mexico border, caters to the needs of the semiconductor and other technology sectors to enable a cost-effective and competitive manufacturing alternative in North America.

Designed and constructed using the best features of high-tech parks around the world, the park's 15 square miles and world-class infrastructure to support the stringent requirements of semiconductor manufacturing will accommodate unfettered growth for up to than 20 years.

Development Plans

The park's foundation will represent the entire semiconductor and flat panel display supply chain, making Silicon Border a virtually self-contained city for IC design, manufacture and device integration, including:

- Wafer and Flat Panel Display Fabs
- Assembly and test operations
- Materials manufacturers
- Equipment vendors
- Photomask shops
- Raw wafer manufacturing

In addition to foundry and subcontracted operations, Silicon Border will also support design and manufacturing operations belonging to integrated device manufactures (IDMs) and fabless companies.

Within 10 years of breaking ground, Silicon Border is expected to house a significant number of high-tech wafer fabs, an equivalent amount of probe, assembly and test capacity companies and suppliers of the major materials used in the manufacture of semiconductors.

A broad range of infrastructure suppliers will make the park as self sufficient as possible for the exclusively high-technology tenants. Although the core is semiconductor operations, other companies in the supply chain, such as OEMs and EMS providers, may join the park if they meet specified criteria.

Other industries Silicon Border will be able to support include computers and peripherals, telecommunications, optoelectronics, precision machinery and materials and biotechnology.

Local Economy and Community

A survey was used to determine the most appropriate locations in the Americas to build the park. The critical factors to enable competitiveness included:

- Labor cost and availability
- Proximity to U.S. semiconductor infrastructure
- Availability of utility resources (water and power)
- Tax and economic incentives

Clearly a lead choice due to labor rates, proximity to the U.S. and willingness to grant competitive tax incentives, Mexico was also chosen for the openness of its business practices and its position as the world's 10th-largest GDP. Additionally, Mexico is the gateway to Latin America, who's combined GDP of USD $1.7 trillion, represents one of the largest electronics markets in the world. Furthermore, Mexico's membership in NAFTA gives North American consumers more electronics buying power than all other countries in the world combined.

Mexicali was determined to be the optimal site because of an abundant work force, water and electricity and proximity to U.S. semiconductor industry, including Silicon Valley, Irvine, San Diego, Phoenix and Dallas/Austin.

As the capital of the state of Baja California with three-quarters of a million people, Mexicali sits just across the U.S.-Mexico border, just two hours' drive east from San Diego. With local access to abundant water from the Colorado River, electricity from the U.S. and Mexico and the educational infrastructure of two major universities in the area, the city offers a prime site environment for Silicon Border.

In nearby Calexico, California (USA) management and technical staff can live with their families, attend schools and be part of a familiar community while working a few minutes away in Mexicali. The modern housing and infrastructure of surrounding Imperial Valley Region offers virtually unlimited space to grow for the current Imperial County population of 142,000. In addition, Calexico offers proximity of material, equipment and service companies to factories without locating outside the U.S.

Benefits for Semiconductor Companies

For companies operating global wafer fabrication, assembly and test operations, establishing a **complete IC supply chain in North America** provides a much-needed "second-source" alternative to the Asian-based "single-source" technology environment that exists today.

The Silicon Border development team has worked closely with the State of Baja California (Mexico) and the Mexican federal government to define and facilitate **attractive tax and economic incentives** to rival those the high-technology sector enjoys in Taiwan, China, Malaysia and Singapore.

Cooperative efforts also include ensuring **resources and infrastructure** required to support a world-class high-technology industrial park and the specialized processes used by its tenants. With expenditures during the next decade expected to exceed USD$1 billion for infrastructure, access to water and production of energy for the park, Silicon Border will help provide the water, clean power, specialty gasses and waste treatment that will **decrease start-up costs** for semiconductor and other high-tech operations.

Mexicali's border location also invites **participation and process control** by industry management in the Silicon Corridor of the U.S., simplifying travel costs and logistics for corporate oversight of manufacturing.

In light of Mexico's excellent relationships with the U.S. and a **friendly democratic and capitalistic environment**, correcting financial and technologic disparity between Mexico and Asia will make bringing semiconductor manufacturing expertise back to North America feasible and **globally profitable** for the entire industry.

Benefits for Flat Panel Display Companies

Flat Panel Display manufacturing is very similar to that of the semiconductor fab industry. These companies have the same infrastructure and tax incentive requirements needed to offset their substantial capital investments. The same benefits, mentioned above, are important to this growing industry. As well, additional incentives include the Free Trade Agreements that Mexico now has with 42 other countries. Mexico's strategic location of being situated between the U.S. and Latin America enables these companies, located in Mexico, to avoid import duties for most of the American Continent, the European Union, and Japan.

Benefits for Mexico

When Silicon Border is fully developed, tenant companies will employ approximately 100,000 people in addition to **jobs created** by construction of the park, factories and supporting industry. Subsequent employment opportunities will also emerge through the **surrounding economy** supporting the park, including housing, hotels, schools, recreation and retail.

As capital-intensive semiconductor operations established in Mexico attract other electronics operations throughout the supply chain, the strategic development of the industry will significantly increase **long-term independence and resident technology expertise** for the region and its growing population.

Management

Silicon Border has gathered a core of experts from the high tech industry to form the nucleus of the management team. Staffed by semiconductor industry executives and Mexican entrepreneurs, the company has created a seasoned team to perform a portion of the work and direct the efforts of additional staff and consultants.

The specialized semiconductor industry experience of the team is supplemented by expertise from other sectors and disciplines, such as information technology, human relations, finance, and real estate development:

Daniel J. (DJ) Hill, co-founder and Chairman of Silicon Border, has served as a division Vice President and General Manager of National Semiconductor and as a C-level executive at Cerprobe, InterConnect, and MCT; spending 12 years transferring semiconductor technology to Asia and eight of those years living in Asia. Hill, who has served internationally on several industry boards of directors, is a public speaker and published author on semiconductor industry issues. Hill earned his bachelor of science in Industrial Engineering from New Mexico State University.

Ron Jones*,* co-founder and CEO of Silicon Border, was previously founder and chairman of N-Able Group International, a consulting and executive search company specializing in the semiconductor industry. A recognized expert on the outsourced fabless semiconductor environment, Jones spent more than 15 years with companies, such as Texas Instruments and Amkor, transferring technology to Asia and 10 of those years living in Asia. Jones earned a bachelor of science in Metallurgical Engineering from the University of California, Berkeley and a master of science in Electrical Engineering from Southern Methodist University.

Tim Ramsey, executive vice president of design and construction at Silicon Border, has significant experience in building greenfield semiconductor facilities in Asia, Europe and the U.S. building more than 30 major facilities as both contractor and owner. He also served as president and CEO of M+W Zander, U.S., one of the largest semiconductor wafer fab contractors in the world. Prior to M+W Zander, Ramsey was director of worldwide construction for Texas Instruments and director of facilities at Chartered Semiconductor Ptd. Ltd. Ramsey earned his bachelor of arts in Industrial Management from University of North Texas.

Bernard Tyler, executive vice president of marketing and business development, has served as a C-level executive with several public and private technology-based corporations, including Path 1 Network Technologies, Inc. and Nautronix, Inc. His career includes intermediate and senior management positions with engineering companies such as Hughes Aircraft, Sega, Computer Associates and SAIC. Tyler earned his bachelor of science in Mathematics from California State Polytechnic University and a master's degree in Computer Science from West Coast University in Los Angeles.

Octavio Garza**,** vice president, business development and administration, has held executive roles with Sony Electronics in Mexico, collimating to the position of Deputy Director. Garza is a recognized leader in the Mexican Electronics Industry serving as President of Electronics, Telecommunication & Information Technology, and holding active roles in business advisory roles on curriculum of State and Private Universities. Early in his career he was the Marketing Manager for Monsanto in Mexico City. Garza holds a Biomedical Engineering degree from the University of Iberoamericana, Mexico City and a Masters in Business Administration from the Peter F. Drucker School of Management at Claremont Graduate School.

David Tenney, vice president of finance, previously provided financial and management consulting services to high-tech, real estate development, production homebuilder and other companies in the Southern California area, with an emphasis on assisting publicly traded companies. Previously he served as corporate controller and treasurer for an international sporting goods manufacturer/distributor and a billion dollar medical management company. Early in his career he was an audit manager for Deloitte & Touche and Arthur Anderson. Tenney is a CPA and earned his bachelor of science in Accounting from Brigham Young University in Utah.

James Diracles, General Counsel and longtime legal advisor to the Silicon Border executive team, is deeply involved in corporate contract and property negotiations, as well as investor relations. A member of Best & Flanagan since 1973, Diracles is a Managing Partner at the firm, with more than 30 years of experience in securities law matters, including public and private offerings, merger and acquisitions and real estate development. He earned his bachelor of arts from Colorado College and his juris doctor from the University of Minnesota.

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