Biden-Harris Administration Outlines Plan to Strengthen Semiconductor Supply Chains as Part of Investing in America Agenda

Today, the U.S. Department of Commerce shared the Biden-Harris Administration's strategic vision to strengthen the semiconductor supply chain through CHIPS for America investments. To advance this vision, the Department announced a funding opportunity and application process for large semiconductor supply chain projects and will release later in the fall a separate process for smaller projects. Large semiconductor supply chain projects include materials and manufacturing equipment facility projects with capital investments equal to or exceeding $300 million, and smaller projects are below that threshold.

The announcement leads into the Biden-Harris Administration's Investing in America tour, where Secretary Raimondo and leaders in the Administration will fan across more than 20 states to highlight investments, jobs, and economic opportunity driven by President Biden's Investing in America agenda and the historic legislation he's passed in his first two years in office, including the bipartisan CHIPS and Science Act.

"After the pandemic exposed holes and bottlenecks in our semiconductor supply chains that sent shockwaves across our economy, the CHIPS and Science Act is a historic opportunity to ensure our microchip supply chain resilience," said **Secretary of Commerce Gina Raimondo.** "Thanks to President Biden's Investing in America agenda, we're already seeing billions in private sector investment bolster the semiconductor supply chain. We're laying out our vision for how we'll build on that progress by responsibly making investments to ensure resiliency and success for the clusters we will create."

Alongside the funding opportunity for larger supply chain projects, the Department also released a "Vision for Success" outlining strategic objectives for investments in the semiconductor supply chain, building on Secretary Raimondo's February speech at Georgetown University on core CHIPS for America objectives. The goals in the vision paper include: (1) strengthening supply chain resilience, including by reducing chokepoint risks flowing from the geographic concentration of critical semiconductor inputs; (2) advancing U.S. technology leadership, including by incentivizing major U.S. manufacturing equipment and materials suppliers to increase their footprints in the United States and attracting non-U.S. suppliers of the world's most advanced equipment, materials, and subsystems to establish large-scale footprints here; and (3) supporting vibrant U.S. fab clusters, including by ensuring that each CHIPS-funded cluster is supported by an ecosystem of reliable suppliers. Read more here about these goals in the supply chain Vision for Success paper.

This vision, in addition to the statements of interest the Department received, will inform implementation and ensure CHIPS funding crowds in private capital – not replace it – across the semiconductor ecosystem. It also positions the Department to steward taxpayer dollars as efficiently and effectively as possible. Since announcing the first funding opportunity, the Department of Commerce has received nearly 400 statements of interest from companies seeking to build semiconductor projects across 37 states, demonstrating widespread enthusiasm from the private sector to continue investing in America. The recently released funding opportunity also maintains the Department's emphasis on building the construction and facility workforce that will support resilient domestic supply chains, including through partnerships with labor, educational institutions, workforce development organizations, and others.

Application Processes and Timelines

As part of the bipartisan CHIPS and Science Act, the Department of Commerce is overseeing over $50 billion to revitalize the U.S. semiconductor industry, including $39 billion in semiconductor manufacturing incentives. The first funding opportunity seeks applications for projects to construct, expand, or modernize commercial facilities for the production of leading-edge, current-generation, and mature-node semiconductors. This same funding opportunity is now open to materials and manufacturing equipment facility projects with capital investments equal to or exceeding $300 million.

Large-scale supply chain projects that are now eligible will follow the five-part application process laid out in the first funding opportunity: statement of interest, pre-application (optional but recommended), full application, due diligence, and award preparation and issuance. Applicants will be evaluated based primarily on the extent to which the application addresses the program's economic and national security objectives, but they will also be evaluated based on commercial viability, financial strength, project technical feasibility and readiness, workforce development, and broader impacts.

An additional funding opportunity will be released in the fall for supplier projects below the $300 million threshold with a tailored application that smaller businesses can navigate. Read more here about both funding opportunities.

Current CHIPS manufacturing incentives application processes and timelines:

- **For leading-edge commercial facilities:** Both pre-applications (optional) and full applications are being accepted on a rolling basis.
- **For current-generation and mature-node commercial facilities:** Pre-applications (optional but recommended) are currently being accepted on a rolling basis and full applications will be accepted on a rolling basis starting June 26, 2023.
- **For larger materials and manufacturing equipment supplier facility projects with capital investments equal to or exceeding $300 million**: Pre-applications (optional but recommended) will be accepted on a rolling basis starting September 1, 2023, and full applications will be accepted on a rolling basis starting October 23, 2023.
- **For all potential applicants:** The Department continues to accept statements of interest on a rolling basis to further inform the program of interest and make for efficient application review.

Forthcoming CHIPS manufacturing incentives applications processes and timelines:

- **For smaller materials and manufacturing equipment supplier facility projects below $300 million:** The Department will release an additional funding opportunity in the fall with details on the application process and timeline. For more information about this forthcoming funding opportunity, see here.
- **For commercial R&D facilities:** The Department will subsequently release a separate funding opportunity with details on the application process and timeline.

International Coordination with U.S. Partners and Allies

As CHIPS for America invests across the supply chain, the Department of Commerce will prioritize robust international engagement. Through bilateral and multilateral dialogues, and business-to-business and government-to-business forums, the Department will work with likeminded partners to strengthen and diversify the global semiconductor supply chain.

The Department's CHIPS-related international engagement to date has included engagements with the Republic of Korea, Japan, India, and the United Kingdom, and through the Indo-Pacific Economic Framework, European Union-United States Trade and Technology Council, and North America

Leaders' Summit. The Department will continue coordinating closely with U.S. partners and allies to advance these shared goals, advance our collective security, and strengthen global supply chains.

About CHIPS for America

CHIPS for America includes the CHIPS Program Office, responsible for manufacturing incentives, and the CHIPS Research and Development Office, responsible for the R&D programs, that both sit within the National Institute of Standards and Technology (NIST) at the Department of Commerce. NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life. NIST is uniquely positioned to successfully administer the CHIPS for America program because of the bureau's strong relationships with U.S. industries, its deep understanding of the semiconductor ecosystem, and its reputation as fair and trusted. Visit https://www.chips.gov to learn more.