

The WHITE HOUSE

FACT SHEETS

Fact Sheet: President Donald J. Trump Takes Action on Certain Advanced Computing Chips to Protect America's Economic and National Security

The White House

January 14, 2026

SUPPORTING AMERICA'S SEMICONDUCTOR INDUSTRY: Today, President Donald J. Trump signed a Proclamation invoking Section 232 of the Trade Expansion Act of 1962 (Act) to address national security concerns with respect to imports of semiconductors, semiconductor manufacturing equipment, and their derivative products.

- The President directed the U.S. Secretary of Commerce and U.S. Trade Representative to jointly negotiate agreements, or continue any current negotiations of agreements, to address the threatened impairment of the national security with respect to imports of semiconductors, semiconductor manufacturing equipment, and their derivative products from any country.
- The President also imposed a 25% tariff on certain advanced computing chips, such as the NVIDIA H200 and AMD MI325X. This tariff will not apply to chips that are imported to support the buildout of the U.S. technology supply chain and the strengthening of domestic manufacturing capacity for derivatives of semiconductors.
- In the near future, President Trump may impose broader tariffs on imports of semiconductors and their derivative products, as well as an accompanying tariff offset program to incentivize domestic manufacturing as previously announced.

ADDRESSING THE THREAT TO NATIONAL SECURITY: President Trump recognizes that restoring capacity for domestic production of semiconductors, semiconductor manufacturing equipment, and their derivative products is critical for economic and national security.

- This action follows the Secretary of Commerce's completion of a Section 232 investigation under the Act, which found that the present quantities and

circumstances of the imports of semiconductors, semiconductor manufacturing equipment, and their derivative products threaten to impair national security.

- The United States' capacity to produce semiconductors, certain semiconductor manufacturing equipment such as advanced lithography and etching tools, and their derivative products is insufficient to meet domestic demand. This has led the United States to be dependent on foreign sources to meet domestic demand.
- Semiconductors are essential to the United States' economic, industrial, and military strength, and a disruption of import-reliant supply chains could strain the nation's industrial and military capabilities.
- Today's action will address the threat to national security by, among other things, incentivizing domestic production of semiconductors and reducing our nation's reliance on foreign sources and foreign supply chains.

BUILDING ON A RECORD OF SECURING CRITICAL INDUSTRIES: This Proclamation builds upon previous actions taken by the Trump Administration to ensure U.S. trade and industrial policies put America first.

- On Day One, President Trump established his America First Trade Policy to make America's economy great again.
- President Trump has repeatedly used Section 232 tariffs to protect against threats to our national security and to strengthen manufacturing sectors critical for our national and economic security, including steel, aluminum, copper, autos, and lumber.
- Throughout his first year back in office, President Trump has announced many historic international trade deals to defend domestic production while expanding market access with America's partners.



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PRESIDENTIAL ACTIONS

ADJUSTING IMPORTS OF SEMICONDUCTORS, SEMICONDUCTOR MANUFACTURING
EQUIPMENT, AND THEIR DERIVATIVE PRODUCTS INTO THE UNITED STATES

Proclamations

January 14, 2026

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

1. On December 22, 2025, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effects of imports of semiconductors (semiconductors or chips), semiconductor manufacturing equipment, and their derivative products on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended, 19 U.S.C. 1862 (section 232). Based on the facts considered in that investigation, and taking into account the close relation of the economic welfare of the Nation to our national security and other relevant factors, see 19 U.S.C. 1862(d), the Secretary found and advised me of his opinion that semiconductors, semiconductor manufacturing equipment, and their derivative products are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States.
2. The Secretary found that the present quantities and circumstances of imports of semiconductors, semiconductor manufacturing equipment, and their derivative products pose a threat to the national security and economy. The United States' capacity to produce semiconductors, certain semiconductor manufacturing equipment such as advanced lithography and etching tools, and their derivative products is insufficient to meet domestic demand. This has led the United States to be dependent on foreign sources to meet domestic demand for semiconductors, semiconductor manufacturing equipment, and their derivative products.

3. The Secretary found that semiconductors are essential to the United States' economic, industrial, and military strength. Modern defense systems depend on high-performance semiconductors for radar and communication systems, electronic warfare and cybersecurity systems, and guidance and control systems for missiles and drones. Furthermore, defense systems often require specialized semiconductors that can withstand extreme environments. This reliance on semiconductors is expected only to increase.
4. The Secretary found that semiconductors are essential to each of the 16 critical infrastructure sectors identified by National Security Memorandum 22 of April 30, 2024 (Critical Infrastructure Security and Resilience). For example, the communications sector requires semiconductors for broadband networks, routing, switching, telecommunications infrastructure, smartphones, and satellite communications systems. The energy sector requires them for smart grid control and converter systems. Nuclear reactors use semiconductors for sensors and safety systems, control-rod-actuation systems, distributed control systems, and power-management systems. The medical sector uses semiconductors in its imaging systems, diagnostic-assay systems, robotic surgical systems, and in pacemakers and defibrillators.
5. The Secretary found that the United States' capacity to manufacture semiconductors is too low to meet projected national defense needs and to match the requirements of a growing commercial industry. The United States consumes roughly one quarter of the world's semiconductors. The United States currently fully manufactures only approximately 10 percent of the chips it requires, making it heavily reliant on foreign supply chains. This dependence on foreign supply chains is a significant economic and national security risk. Given the foundational role that semiconductors play in the modern economy and national defense, a disruption of import-reliant supply chains could strain the United States' industrial and military capabilities.
6. The Secretary found that semiconductors that enable artificial intelligence (AI) are an important element of many data centers currently in use, such that the importation in current quantities and circumstances poses a threat to the national security, when such importation does not contribute to the buildout of the United States technology supply chain.
7. In light of these findings, the Secretary recommended a two-phase plan of action to adjust imports of semiconductors so that such imports will not threaten to impair the national security of the United States. In the first phase, the United States would

continue ongoing trade negotiations with foreign jurisdictions that have the potential to strengthen the United States semiconductor industry. The Secretary also recommended, as part of this first phase, immediately imposing a 25 percent *ad valorem* tariff on a very narrow category of semiconductors that are an important element of my Administration's AI and technology policies, and that such tariff would not apply when the chips are imported to support the buildout of the United States technology supply chain. In the second phase — after trade negotiations have concluded — the Secretary recommended broader tariffs on semiconductors, at a rate of duty that is significant. The Secretary also recommended that this broader tariff be accompanied by a tariff offset program to enable companies investing in United States semiconductor production and certain parts of the United States semiconductor supply chain to obtain preferential tariff treatment.

8. After considering the Secretary's report, the factors in section 232(d) (19 U.S.C. 1862(d)), and other relevant factors and information, among other things, I concur with the Secretary's finding that semiconductors, semiconductor manufacturing equipment, and their derivative products are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States. In my judgment, and in light of the Secretary's report, the factors in section 232(d) (19 U.S.C. 1862(d)), and other relevant factors and information, I have also determined that it is necessary and appropriate to adopt a plan of action, as described below, to adjust such imports of semiconductors, semiconductor manufacturing equipment, and their derivative products so that such imports will not threaten to impair the national security of the United States.

9. I have decided to include in the plan of action negotiations to address the threatened impairment of the national security with respect to imports of semiconductors, semiconductor manufacturing equipment, and their derivative products. I therefore direct the Secretary and the United States Trade Representative (Trade Representative) to jointly pursue negotiation of agreements or continue any current negotiations of agreements, such as agreements contemplated in section 232(c)(3)(A)(i) (19 U.S.C. 1862(c)(3)(A)(i)), to address the threatened impairment of the national security with respect to imported semiconductors, semiconductor manufacturing equipment, and their derivative products, with any foreign jurisdiction the Secretary and the Trade Representative deem appropriate, and to update me on the progress of such negotiations within 90 days of the date of this proclamation. Under current circumstances and in light of future requirements of

the United States, this action is necessary and appropriate to address the threatened impairment of the national security.

10. I have also determined that it is necessary and appropriate to impose an immediate 25 percent *ad valorem* duty rate on the import of certain advanced computing chips and certain derivative products described in the Annex to this proclamation (Covered Products), when such importation does not contribute to the buildout of the United States technology supply chain and the strengthening of domestic manufacturing capacity for derivatives of semiconductors. I have further determined that it is necessary and appropriate that this duty rate not apply to imports of these Covered Products for use in United States data centers, for repairs or replacements performed in the United States, for research and development in the United States involving these chips, for startups in the United States, for non-data center consumer applications in the United States, for use in non-data center civil industrial applications in the United States, for use in United States public sector applications, or for other uses that the Secretary determines contribute to the strengthening of the United States technology supply chain or domestic manufacturing capacity for derivatives of semiconductors. In my judgment, the tariff regime imposed in clause (3) of this proclamation will address the threat to the national security found in this proclamation by, among other things, incentivizing the development of domestic manufacturing of certain semiconductors and their derivative products, reducing reliance on imports of certain advanced computing chips and certain derivative products, and promoting research and development in support of the United States' high-tech infrastructure and capabilities.

11. In my judgment, based on current circumstances as well as the future needs of the United States, the actions in this proclamation are necessary and appropriate to address the threat to impair the national security posed by imports of semiconductors, semiconductor manufacturing equipment, and their derivatives. In particular, the actions in this proclamation will, among other things, help increase domestic production of semiconductors and reduce our Nation's reliance on foreign sources and foreign supply chains. Along with other efforts by my Administration to promote the domestic semiconductor industry, the actions in this proclamation will ensure that domestic supply chains will be able to meet current and future domestic demand for semiconductors and their derivative products, which is essential for our defense systems and industry. These actions will also incentivize domestic industry to reduce reliance on imports of semiconductors, while leveraging imported

semiconductors in circumstances that accelerate AI innovation in the United States and aid in building out the domestic technology supply chain.

12. Section 232 authorizes the President to take action to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. Section 232 includes the authority to adopt and carry out a plan of action, with adjustments over time, to address the national security threat. This plan of action may include negotiations of agreements with foreign trading partners along with other actions to adjust imports to address the national security threat, including tariffs. If action under section 232 includes the negotiation of an agreement, such as one contemplated in section 232(c)(3)(A)(i) (19 U.S.C. 1862(c)(3)(A)(i)), the President may also take other actions he deems necessary to adjust imports to eliminate the threat that the imported article poses to the national security, including if such an agreement is not entered into within 180 days of the date of this proclamation, is not being carried out, or is ineffective. See 19 U.S.C. 1862(c)(3)(A).

13. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483) (section 604), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including section 232, 19 U.S.C. 1862; section 604, 19 U.S.C. 2483; and section 301 of title 3, United States Code, do hereby proclaim as follows:

(1) The Secretary and the Trade Representative, and any senior official they deem appropriate, shall jointly pursue or continue pursuing negotiations of agreements contemplated in section 232(c)(3)(A)(i) (19 U.S.C. 1862(c)(3)(A)(i)) to address the threatened impairment of the national security with respect to imported semiconductors, semiconductor manufacturing equipment, and their derivative products. Depending on the status or resolution of such negotiations, I may consider imposing significant tariffs on imports of semiconductors, semiconductor manufacturing equipment, and their derivative products, as well as an accompanying tariff offset program to incentivize domestic manufacturing.

(2) Within 90 days of the date of this proclamation, the Secretary and the Trade Representative, in consultation with any senior official they deem appropriate, shall

update me on the status or outcome of the negotiations directed under clause (1) of this proclamation.

(3) Except as otherwise provided in this proclamation, imports of Covered Products will be subject to a 25 percent *ad valorem* duty rate. This tariff shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on January 15, 2026, and shall continue in effect, unless such action is expressly reduced, modified, or terminated. This tariff is in addition to any other duties, fees, exactions, and charges applicable to such imported semiconductors, unless stated otherwise below. The duty rate described in this clause shall not apply to imports of those Covered Products for use in United States data centers, for repairs or replacements performed in the United States, for research and development in the United States, for use by startups, for non-data center consumer applications in the United States, for use in non-data center civil industrial applications in the United States, for use in United States public sector applications, or for other uses that the Secretary determines contribute to the strengthening of the United States technology supply chain or domestic manufacturing capacity for derivatives of semiconductors. In making his determination, the Secretary shall consider factors he deems relevant, including the need to address the national security threat found in this proclamation and the purpose of this proclamation.

(4) The Secretary, in consultation with the Chair of the International Trade Commission and the Commissioner of U.S. Customs and Border Protection (CBP), shall determine whether any modifications to the HTSUS, end-use certifications, or other administrative measures are necessary to effectuate or implement this proclamation or any actions taken pursuant to this proclamation. Any changes shall be published in a notice in the *Federal Register*.

(5) If any Covered Product is subject to tariffs under both this proclamation and other section 232 proclamations, the Covered Product shall be subject to the terms and duties imposed under this proclamation and not those imposed pursuant to any other section 232 proclamation. Covered Products subject to tariffs pursuant to clause (3) of this proclamation shall not be subject to any tariffs imposed by Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended; Executive Order 14193 of February 1, 2025 (Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border), as amended; and

Executive Order 14194 of February 1, 2025 (Imposing Duties To Address the Situation at Our Southern Border), as amended.

(6) No drawback shall be available with respect to the duties imposed pursuant to this proclamation.

(7) CBP may take any necessary or appropriate measure to administer the tariff imposed by this proclamation to the extent permitted by applicable law.

(8) Any product described in clause (3) of this proclamation, except those eligible for admission as “domestic status” as described in 19 CFR 146.43, that is subject to a duty imposed by this proclamation and that is admitted into a United States foreign trade zone on or after the effective date of this proclamation must be admitted as “privileged foreign status” as described in 19 CFR 146.41 and will be subject upon entry for consumption to any *ad valorem* rates of duty related to the classification under the applicable HTSUS subheading.

(9) The Secretary shall continue to monitor imports of semiconductors, semiconductor manufacturing equipment, and their derivative products. The Secretary also shall, from time to time, in consultation with any senior executive branch officials the Secretary deems appropriate, review the status of such imports with respect to the national security. The Secretary shall inform me of any circumstances that, in the Secretary’s opinion, might indicate the need for further action by the President under section 232. By July 1, 2026, the Secretary shall provide me with an update on the market for semiconductors that are used in United States data centers, so that the President may determine whether it is appropriate to modify the tariff imposed in this proclamation. The Secretary shall also inform me of any circumstance that, in the Secretary’s opinion, might indicate that the tariff imposed in this proclamation is no longer necessary.

(10) To the extent consistent with applicable law and the purpose of this proclamation, the Secretary, the Trade Representative, and the Secretary of Homeland Security are directed and authorized to take all actions that are appropriate to implement and effectuate this proclamation and any actions contemplated by this proclamation, including, consistent with applicable law, the issuance of regulations, rules, guidance, and procedures and the temporary suspension or amendment of regulations, within their respective jurisdictions, and to employ all powers granted to the President under section 232, as may be appropriate to implement and effectuate this proclamation. The Secretary, the Trade Representative, and the Secretary of Homeland Security may, consistent with applicable law, including section 301 of title 3, United States Code, redelegate any of these functions within their respective

executive departments or agencies. All executive departments and agencies shall take all appropriate measures within their authority to implement this proclamation to the extent permitted by applicable law.

(11) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency. If any provision of this proclamation or the application of any provision to any individual or circumstance is held to be invalid, the remainder of this proclamation and the application of its provisions to any other individuals or circumstances shall not be affected.

IN WITNESS WHEREOF, I have hereunto set my hand this
fourteenth day of January, in the year of our Lord two thousand twenty-six, and of the
Independence of the United States of America the two hundred and fiftieth.

DONALD J. TRUMP

Annex



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ADMINISTRATION

NEWS

Annex

A. Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on January 15, 2026, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) is modified as follows:

1. The following new U.S. note 39 is inserted in numerical order:

“(a) Except as provided for in headings 9903.79.02–9903.79.09, heading 9903.79.01 provides the ordinary customs duty treatment of semiconductor articles of all countries as described in subdivision (b) of the note.

For any such products that are eligible for special tariff treatment under any of the free trade agreements or preference programs listed in general note 3(c)(i) to the tariff schedule, the duties provided in heading 9903.79.01 shall be collected in addition to any special rate of duty otherwise applicable under the appropriate tariff subheading. Goods for which entry is claimed under a provision of chapter 98 and that are subject to the additional duties prescribed herein shall be eligible for and subject to the terms of such provision and applicable U.S. Customs and Border Protection (CBP) regulations, except that duties under subheading 9802.00.60 shall be assessed based upon the full value of the imported article. No claim for entry or for any duty exemption or reduction shall be allowed for semiconductor articles enumerated in subdivision (b) of this note under a provision of chapter 99 that may set forth a lower rate of duty or provide duty-free treatment, taking into account information supplied by CBP, but any additional duty prescribed in any provision of this subchapter or subchapter IV of chapter 99 shall be imposed in addition to the duties in heading 9903.79.01.

All antidumping, countervailing, or other duties and charges applicable to such goods shall continue to be imposed in addition to the duties in heading 9903.79.01, except that such articles shall not be subject to:

- (1) the additional duties imposed on entries of passenger vehicles and light trucks under headings 9903.94.01, 9903.94.03, 9903.94.31, 9903.94.40, 9903.94.41, 9903.94.50, 9903.94.51, 9903.94.60 and 9903.94.61;
- (2) the additional duties imposed on entries of parts for passenger vehicles and light trucks under headings 9903.94.05, 9903.94.07, 9903.94.32, 9903.94.33, 9903.94.42, 9903.94.43, 9903.94.44, 9903.94.45, 9903.94.52, 9903.94.53, 9903.94.54, 9903.94.55, 9903.94.62, 9903.94.63, 9903.94.64 and 9903.94.65;
- (3) the additional duties imposed on entries of medium- and heavy-duty vehicles under headings 9903.74.01, 9903.74.02 and 9903.74.03;
- (4) the additional duties imposed on entries of parts of medium- and heavy-duty vehicles under headings 9903.74.08 and 9903.74.09;
- (5) the additional duties imposed on entries of semi-finished copper products and copper-intensive derivative products under heading 9903.78.01;
- (6) the additional duties imposed on entries of products of aluminum under headings 9903.85.02 and 9903.85.12;
- (7) the additional duties imposed on entries of derivative aluminum products under headings 9903.85.04, 9903.85.07, 9903.85.08, 9903.85.13, 9903.85.14 and 9903.85.15;
- (8) the additional duties imposed on entries of iron or steel products under headings 9903.81.87, 9903.81.88, 9903.81.94 and 9903.81.95;
- (9) the additional duties imposed on entries of derivative iron or steel products under headings 9903.81.89, 9903.81.90, 9903.81.91, 9903.81.93, 9903.81.96, 9903.81.97, 9903.81.98 and 9903.81.99;

- (10) the additional duties imposed on entries of articles the product of Canada under heading 9903.01.10;
- (11) the additional duties imposed on entries of articles the product of Mexico under heading 9903.01.01; and
- (12) the additional duties imposed on entries of articles under headings 9903.01.24–9903.01.76 and 9903.02.01–9903.02.71.

(b) For the purposes of this note, “semiconductor articles” refers to imported products meeting certain technical parameters and that are classifiable in the provisions of the HTSUS enumerated in this subdivision:

8471.50
8471.80
8473.30

To be included within the definition of semiconductor articles, the imported products must be a logic integrated circuit, or an article that contains a logic integrated circuit, that meets the technical parameters of having:

(1) a total processing performance greater than 14,000 and less than 17,500, and a total DRAM bandwidth greater than 4,500 GB/s and less than 5,000 GB/s;

or

(2) a total processing performance greater than 20,800 and less than 21,100, and total DRAM bandwidth greater than 5,800 GB/s and less than 6,200 GB/s.

For the purposes of this note, total processing performance (TPP) is $2 \times \text{“MacTOPS”} \times \text{“bit length of the operation,”}$ aggregated over all processing units on the integrated circuit. “MacTOPS” is the theoretical peak number of Tera (10^{12}) operations per second for multiply-accumulate computation ($D = A \times B + C$). The 2 in the TPP formula is based on the industry convention of counting one multiply-accumulate computation ($D = A \times B + C$) as two operations for purpose of product datasheets. Therefore, $2 \times \text{“MacTOPS”}$ may correspond to the reported TOPS or FLOPS on a product datasheet. The “bit length of the operation” for a multiply-accumulate computation is the largest bit-length of the inputs to the multiply operation. The TPP for the imported product is determined by aggregating the TPP for each processing unit on the integrated circuit: $TPP = TPP1 + TPP2 + \dots + TPPn$ (where n is the number of processing units on the integrated circuit). The rate of “MacTOPS” is to be calculated at its maximum value theoretically possible. The rate of “MacTOPS” is assumed to be the highest value the manufacturer claims in annual or brochure for the integrated circuit. For example, a “TPP” threshold of 4800 can be met with 600 tera integer operations (or 2×300 “MacTOPS”) at 8 bits or 300 tera FLOPS (or 2×150 “MacTOPS”) at 16 bits. If the integrated circuit is designed for MAC computation with multiple bit lengths that achieve different “TPP” values, the highest “TPP” value should be used. For integrated circuits that provide processing of both sparse and dense matrices, the “TPP” values are the values for processing of dense matrices (e.g., without sparsity).

For the purposes of this note, “total DRAM bandwidth” refers to the aggregate memory bandwidth in gigabytes per second between the integrated circuit (IC) and dynamic random access memory (DRAM) ICs, including copackaged DRAM ICs and non-copackaged DRAM ICs. Copackaged DRAM ICs include, for example, high bandwidth memory (HBM). Non-copackaged DRAM ICs include, for example, graphics double data rate (GDDR) ICs. “Total DRAM bandwidth” does not include bandwidth from DRAM ICs accessed remotely over an interconnect medium.

(c) Heading 9903.79.02 applies to entries of articles that are classifiable under provisions of the HTSUS enumerated in subdivision (b) of this note but that do not meet the technical parameters specified in subdivision (b) of this note.

(d) Certain semiconductor articles that would otherwise meet the requirements of subdivision (b) of this note are excluded from the additional rate of duty pursuant to heading 9903.79.01. Instead, such semiconductor articles are subject to the following headings:

- (i) Heading 9903.79.03 applies to semiconductor articles for use in U.S. data centers;
- (ii) Heading 9903.79.04 applies to semiconductor articles for repairs or replacements performed in the United States;
- (iii) Heading 9903.79.05 applies to semiconductor articles for research and development in the United States involving these chips;
- (iv) Heading 9903.79.06 applies to semiconductor articles for use by startups in the United States;
- (v) Heading 9903.79.07 applies to semiconductor articles for use in non-data center consumer electronics applications in the United States, including gaming, personal computing, professional visualization, workstation applications, and automotive applications;
- (vi) Heading 9903.79.08 applies to semiconductor articles for use in non-data center civil industrial applications in the United States, including factory robotics and industrial machinery; and
- (vii) Heading 9903.79.09 applies to semiconductor articles for use in United States public sector applications.

For the purposes of this note, a “U.S. data center” refers to a facility that requires greater than 100 megawatts (MW) of new load dedicated to AI inference, training, simulation, or synthetic data generation.

For the purposes of this note, “research and development” is defined as any activity that is (a) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (b) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (c) a systematic application of knowledge toward the production of useful materials, devices, services or methods, and includes design, development and improvement of prototypes and new processes to meet specific requirements.

For the purposes of this note, a “startup” is an “emerging growth company,” as defined at 15 U.S.C. § 77b(a)(19).

- 2. The following new headings are inserted in numerical sequence, with the material in each new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, “Rates of Duty 1-General”, “Rates of Duty 1-Special” and “Rates of Duty 2”, respectively:

Heading/ Subheading	Article Description	Rates of Duty		
		1		2
		General	Special	
“9903.79.01	Semiconductor articles as provided for in subdivisions (a) and (b) of U.S. note 39 to this subchapter.	The duty provided in the applicable subheading + 25%	The duty provided in the applicable subheading + 25%	The duty provided in the applicable subheading + 25%
9903.79.02	Articles as provided for in subdivision (c) of U.S. note 39 to this subchapter.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading

9903.79.03	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for use in U.S. data centers, as defined in subdivision (d) of U.S. note 39 to this subchapter.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.04	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for repairs or replacement in the United States.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.05	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for research and development in the United States, as defined in subdivision (d) of U.S. note 39 to this subchapter.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.06	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for use by startups in the United States, as defined in subdivision (d) of U.S. note 39 to this subchapter.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.07	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for use in non-data center consumer electronics applications in the United States.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.08	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for use in non-data center civil industrial applications in the United States.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading
9903.79.09	Semiconductor articles, as defined in subdivision (b) of U.S. note 39 to this subchapter, that are for use in United States public sector applications.	The duty provided in the applicable subheading	The duty provided in the applicable subheading	The duty provided in the applicable subheading”

3. U.S. note 2(v) is modified by:
- a. modifying subdivision (i) by deleting “subdivisions (v)(ii) through (v)(xxiv)” in each place that it appears and inserting “subdivisions (v)(ii) through (v)(xxv)” in lieu thereof;
 - b. renumbering subdivisions (xvi) through (xxiv) as (xvii) through (xxv), respectively; and
 - c. adding new subdivision (xvi), in numerical order:

“The additional duties imposed by headings 9903.01.25, 9903.01.35, 9903.01.39, 9903.01.63, 9903.02.01–9903.02.73, 9903.02.80, 9903.02.83, and 9903.02.88 shall not apply to semiconductor articles provided for in heading 9903.79.01.”

4. U.S. note 2(x) is modified by:
 - a. modifying subdivision (i) by deleting “subdivisions (x)(ii) through (x)(xiv)” in each place that it appears and inserting “subdivisions (x)(ii) through (x)(xv)” in lieu thereof; and
 - b. adding new subdivision (xv), in numerical order:

“The additional duties imposed by heading 9903.01.77 shall not apply to semiconductor articles provided for in heading 9903.79.01.”
5. U.S. note 2(z) is modified by:
 - a. renumbering subdivision (xiii) as (xiv);
 - b. modifying subdivision (i) by deleting “subdivisions (z)(ii) through (z)(xiii)” in each place that it appears and inserting “subdivisions (z)(ii) through (z)(xiv)” in lieu thereof; and
 - c. adding new subdivision (xiii), in numerical order:

“The additional duties imposed by heading 9903.01.84 shall not apply to semiconductor articles provided for in heading 9903.79.01.”
6. Heading 9903.01.33 is modified by:
 - a. deleting “semi-finished copper;” and inserting “semiconductor articles; semi-finished copper;” in lieu thereof; and
 - b. deleting “subdivisions (v)(vi) through (v)(xv)” and inserting “subdivisions (v)(vi) through (v)(xvi)” in lieu thereof.
7. Heading 9903.01.34 is modified by deleting “subdivision (v)(xvi)” and inserting “subdivision (v)(xvii)” in lieu thereof.
8. Heading 9903.01.83 is modified by:
 - a. deleting “semi-finished copper;” and inserting “semiconductor articles; semi-finished copper;” in lieu thereof; and
 - b. deleting “subdivisions (x)(v) through (x)(xiv)” and inserting “subdivisions (x)(v) through (x)(xv)” in lieu thereof.
9. Heading 9903.01.87 is modified by deleting “semi-finished copper;” and inserting “semiconductor articles; semi-finished copper;” in lieu thereof.
10. Heading 9903.01.88 is modified by deleting “subdivision (z)(xiii)” and inserting “subdivision (z)(xiv)” in lieu thereof.
11. Heading 9903.02.74 is modified by deleting “subdivision (v)(xix)” and inserting “subdivision (v)(xx)” in lieu thereof.
12. Heading 9903.02.75 is modified by deleting “subdivision (v)(xx)” and inserting “subdivision (v)(xxi)” in lieu thereof.
13. Heading 9903.02.76 is modified by deleting “subdivision (v)(xxi)” and inserting “subdivision (v)(xxii)” in lieu thereof.

14. Heading 9903.02.77 is modified by deleting “subdivision (v)(xxii)” and inserting “subdivision (v)(xxiii)” in lieu thereof.
15. Heading 9903.02.79 is modified by deleting “subdivision (v)(xxiii)(a)” and inserting “subdivision (v)(xxiv)(a)” in lieu thereof.
16. Heading 9903.02.80 is modified by deleting “subdivision (v)(xxiii)(a)” and inserting “subdivision (v)(xxiv)(a)” in lieu thereof.
17. Heading 9903.02.81 is modified by deleting “subdivision (v)(xxiii)(b)” and inserting “subdivision (v)(xxiv)(b)” in lieu thereof.
18. Heading 9903.02.84 is modified by deleting “subdivision (v)(xxiv)(b)” and inserting “subdivision (v)(xxv)(b)” in lieu thereof.
19. Heading 9903.02.85 is modified by deleting “subdivision (v)(xxiv)(c)” and inserting “subdivision (v)(xxv)(c)” in lieu thereof.
20. Heading 9903.02.86 is modified by deleting “subdivision (v)(xxiv)(d)” and inserting “subdivision (v)(xxv)(d)” in lieu thereof.
21. Heading 9903.02.89 is modified by deleting “subdivision (v)(xxiv)(b)” and inserting “subdivision (v)(xxv)(b)” in lieu thereof.
22. Heading 9903.02.90 is modified by deleting “subdivision (v)(xxiv)(c)” and inserting “subdivision (v)(xxv)(c)” in lieu thereof.
23. Heading 9903.02.91 is modified by deleting “subdivision (v)(xxiv)(d)” and inserting “subdivision (v)(xxv)(d)” in lieu thereof.