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# 15 U.S. Code § 4652

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## Semiconductor incentives

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### **(a) Financial assistance program**

#### **(1) In general**

The Secretary shall establish in the Department of Commerce a program that, in accordance with the requirements of this section and subject to the availability of appropriations for such purposes, provides Federal financial assistance to covered entities to incentivize investment in facilities and equipment in the United States for the fabrication, assembly, testing, advanced packaging, production, or research and development of semiconductors, materials used to manufacture semiconductors, or semiconductor manufacturing equipment.

#### **(2) Procedure**

##### **(A) In general**

A covered entity shall submit to the Secretary an application that describes the project for which the covered entity is seeking financial assistance under this section.

##### **(B) Eligibility**

In order for a covered entity to qualify for financial assistance under this section, the covered entity shall demonstrate to the Secretary, in the application submitted by the covered entity under subparagraph (A), that—

- (i) the covered entity has a documented interest in constructing, expanding, or modernizing a facility described in paragraph (1) <sup>[1]</sup>
- (ii) with respect to the project described in clause (i), the covered entity has—
  - (I) been offered a covered incentive;
  - (II) made commitments to worker and community investment, including through—
    - (aa) training and education benefits paid by the covered entity; and
    - (bb) programs to expand employment opportunity for economically disadvantaged individuals; and
  - (III) secured commitments from regional educational and training entities and institutions of higher education to provide workforce training, including programming for training and job placement of economically disadvantaged individuals;
  - (IV) an executable plan to sustain the facility described in clause (i) without additional Federal financial assistance under this subsection for facility support;
  - (V) determined—
    - (aa) the type of semiconductor technology, equipment, materials, or research and development the covered entity will produce at the facility described in clause (i); and
    - (bb) the customers, or categories of customers, to which the covered entity plans to sell the

semiconductor technology, equipment, materials, or research and development described in item (aa); and

(VI) documented, to the extent practicable, workforce needs and developed a strategy to meet such workforce needs consistent with the commitments described in subclauses (II) and (III);

(iii) with respect to the project described in clause (i), the covered entity has an executable plan to identify and mitigate relevant semiconductor supply chain security risks, such as risks associated with access, availability, confidentiality, integrity, and a lack of geographic diversification in the covered entity's supply chain; and

(iv) with respect to any project for the production, assembly, or packaging of semiconductors, the covered entity has implemented policies and procedures to combat cloning, counterfeiting, and relabeling of semiconductors, as applicable.

### **(C) Considerations for review**

With respect to the review by the Secretary of an application submitted by a covered entity under subparagraph (A)—

(i) the Secretary may not approve the application unless the Secretary—

(I) confirms that the covered entity has satisfied the eligibility criteria under subparagraph (B);

(II) determines that the project to which the application relates is in the economic and national security interests of the United States; and

(III) has notified the appropriate committees of Congress not later than 15 days before making any commitment to provide a grant to any covered entity that exceeds \$10,000,000;

(ii) the Secretary may consider whether—

(I) the covered entity has previously received financial assistance made under this subsection;

(II) the governmental entity offering the applicable covered incentive has benefitted from financial assistance previously provided under this subsection;

(III) the covered entity has demonstrated that they are responsive to the national security needs or requirements established by the Intelligence Community (or an agency thereof), the National Nuclear Security Administration, or the Department of Defense; and

(IV) when practicable, a consortium that is considered a covered entity includes a small business concern, as defined under section 632 of this title, notwithstanding section 121.103 of title 13, Code of Federal Regulations;

(iii) the Secretary shall consider the type of semiconductor technology produced by the covered entity and whether that semiconductor technology advances the economic and national security interests of the United States;

(iv) the Secretary may not approve an application, unless the covered entity provides a plan that does not use Federal financial assistance to assist efforts to physically relocate existing facility infrastructure to another jurisdiction within the United States, unless the project is in the interest of the United States; and

(v) the Secretary may not approve an application if the Secretary determines that the covered entity is a foreign entity of concern.

### **(D) Priority**

In awarding Federal financial assistance to covered entities under this subsection, the Secretary shall—

(i) give priority to ensuring that a covered entity receiving financial assistance will—

(I) manufacture semiconductors necessary to address gaps and vulnerabilities in the domestic supply chain across a diverse range of technology and process nodes; and

(II) provide a secure supply of semiconductors necessary for the national security, manufacturing, critical infrastructure, and technology leadership of the United States and other essential elements of the economy of the United States; and

(ii) ensure that the assistance is awarded to covered entities for both advanced and mature technology nodes to meet the priorities described in clause (i).

#### **(E) Records**

The Secretary may request records and information from the applicant to review the status of a covered entity. The applicant shall provide the records and information requested by the Secretary.

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