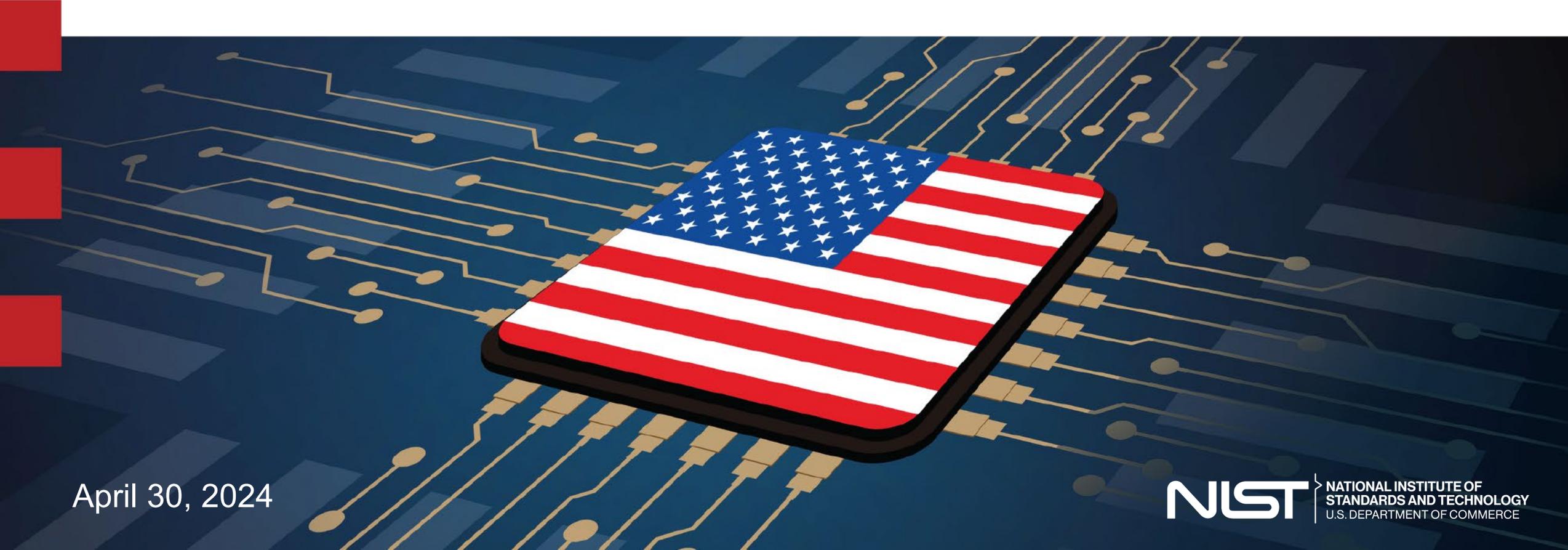
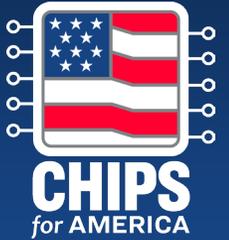


CHIPS for America and SelectUSA: Resources for Supporting International Business Attraction in the Semiconductor Industry

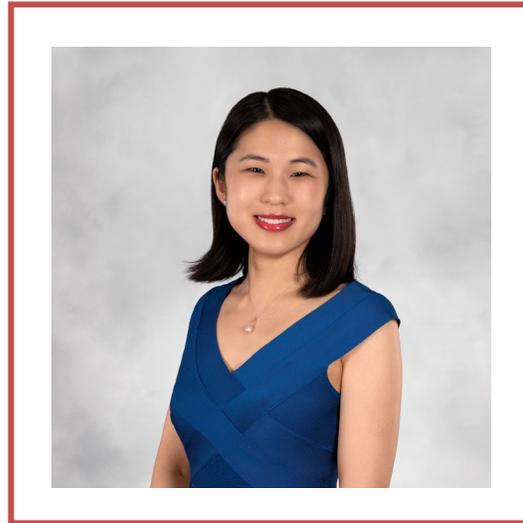


April 30, 2024

Today's Speakers



Amanda Mays
Senior Advisor for Policy,
CHIPS Program Office



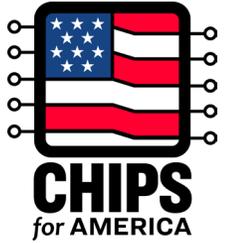
Susan Gao
Policy Advisor for
International
Engagement, CHIPS
R&D Office



Anthony Diaz
Deputy Director for
Programs and Events,
SelectUSA

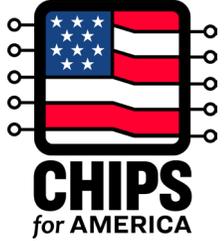


Eliya Harnood
Research Analyst,
Investment Research
SelectUSA



Agenda

- **CHIPS for America Update**
 - Manufacturing Incentives Program
 - R+D Program
- **SelectUSA Information**
 - About SelectUSA
 - Investor Guide
- **Resources**



CHIPS for America Programs

\$39 billion for manufacturing

Components:

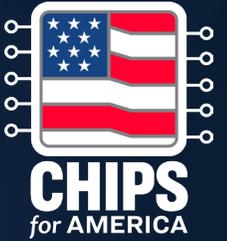
1. Attract large-scale investments in advanced technologies such as leading-edge logic and memory
2. Incentivize expansion of manufacturing capacity for mature and other types of semiconductors

\$11 billion for R&D

- National Semiconductor Technology Center
- National Advanced Packaging Manufacturing Program
- Manufacturing USA institute(s)
- National Institute of Standards and Technology measurement science

Together with CHIPS initiatives from other agencies, including DOD, State, NSF, and Treasury

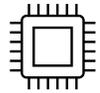
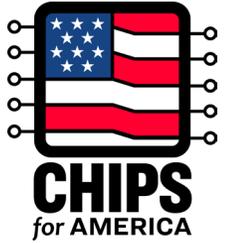




CHIPS Manufacturing Incentives

Vision for Success

Future projects will be prioritized based on whether they can be operational by 2030



Leading-Edge Logic

- ✓ Expecting **~20% of global leading-edge logic** chip manufacturing and at least **two new large-scale clusters** of leading-edge logic fabs



Advanced Packaging

- ✓ **Multiple high-volume** advanced packaging facilities



Memory

- ✓ U.S.-based fabs will **produce high-volume, cost-competitive memory chips**

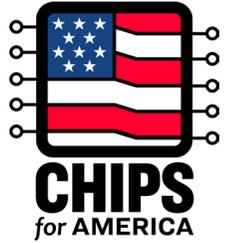


Current-Generation and Mature

- ✓ **Strategic increase in production capacity** for current-gen and mature chips



CHIPS Program Office Funding Opportunities



February 28, 2023

June 23, 2023

September 29, 2023

December 11, 2023

For **commercial leading-edge, current, and mature node fabrication facilities**

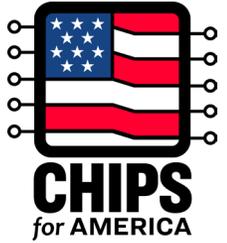
For **large semiconductor materials and equipment facility projects \$300M+**

For **smaller semiconductor materials and equipment facility projects under \$300M**

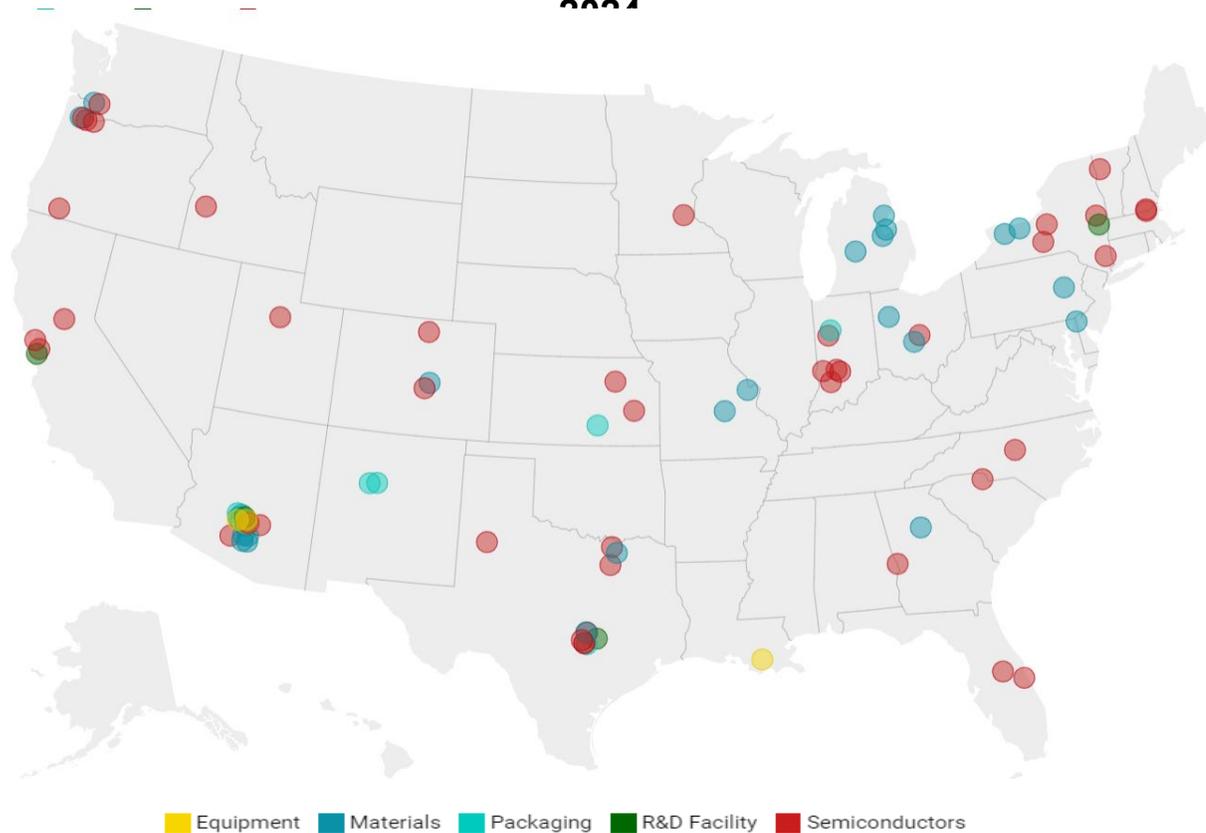
First **preliminary memorandum of terms announced** for commercial manufacturing facility

The CHIPS Program Office has received over 620 statements of interest, over 170 pre-applications and full applications, and over 160 supply chain concept plans.

The CHIPS and Science Act is spurring investment in the semiconductor industry across the country



Semiconductor industry manufacturing investments announced by the private sector from May 2020 to March 2024



Source: Semiconductor Industry Association

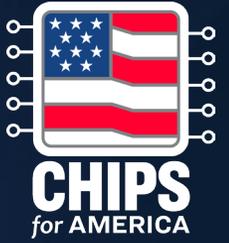
CHIPS awards to date:

Leading-Edge Companies:

- Intel – facilities located in **Arizona, New Mexico, Ohio, and Oregon**
- TSMC – facilities located in **Arizona**
- Samsung – facilities located in **Texas**
- Micron – facilities located in **Idaho and New York**

Current and Mature Node Companies:

- BAE Systems – facility located in **New Hampshire**
- Microchip – facilities located in **Colorado and Oregon**
- GlobalFoundries – facilities located in **New York and Vermont**

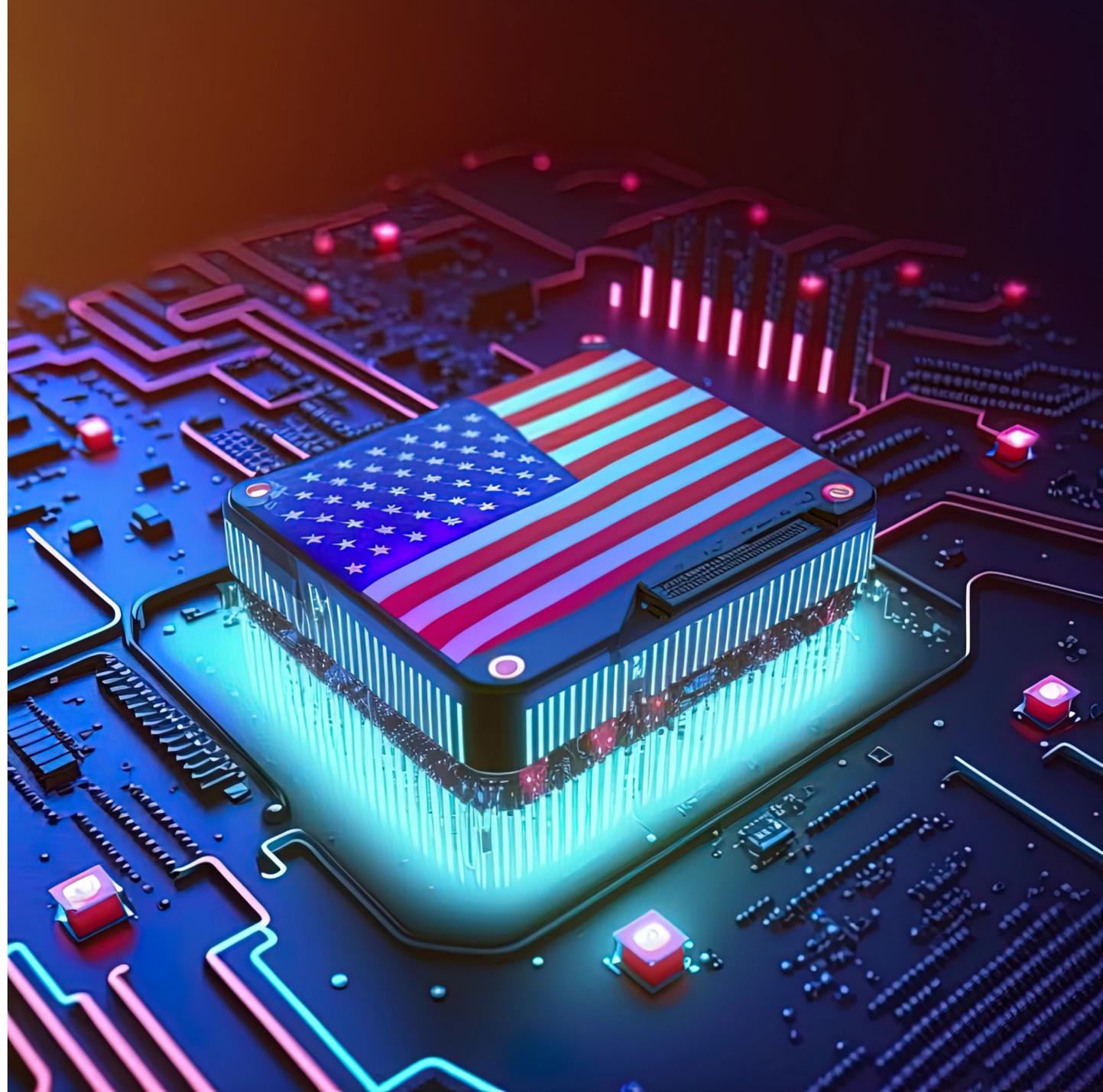


CHIPS R&D Status Updates

CHIPS R&D

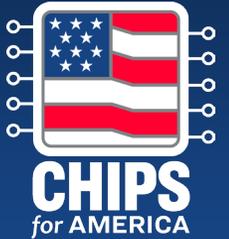
Vision A vibrant and self-sustaining U.S. domestic semiconductor ecosystem that revitalizes American manufacturing, grows a skilled and diverse workforce, and leads the world in semiconductor research and innovation.

Mission Accelerate the development and commercial deployment of foundational semiconductor technologies by establishing, connecting, and providing access to domestic research efforts, tools, resources, workers, and facilities.

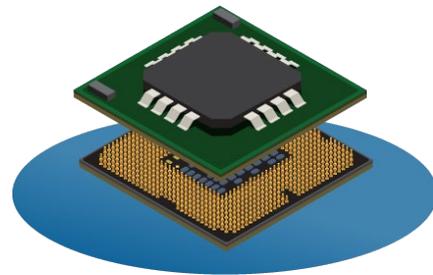


CHIPS R&D Programs

Vision: A vibrant and self-sustaining U.S. domestic semiconductor ecosystem that revitalizes American manufacturing, grows a skilled and diverse workforce and leads the world in semiconductor research and innovation.



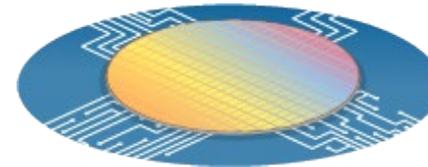
CHIPS Metrology Program



CHIPS National Semiconductor Technology Center (NSTC) Program



Natcast is an independent nonprofit organization and operator of the NSTC consortium



CHIPS National Advanced Packaging Manufacturing Program (NAPMP)



CHIPS Manufacturing USA Program

Workforce Initiatives



SelectUSA



About SelectUSA

Our Mission

SelectUSA's mission is to promote and facilitate job-creating business investment in the United States.

SelectUSA remains geographically neutral when assisting companies looking to invest in the United States. We support greenfield investment.

Our Clients

SelectUSA serves **investors and companies** with existing operations in the U.S. or planning to enter the U.S. market, and **economic development organizations (EDO)** at the state, regional, and local levels.

SelectUSA Services

Services	Description
Market Research	Actionable information on industry and market trends to support company and EDO investment attraction strategies.
Events and Missions	Platform for connections that will provide platforms for EDOs to market their locations and develop investment leads and for companies to meet EDOs and for firms to connect with EDOs.
Navigating the Federal System	Help navigate the federal system to provide clarity, offering one-stop assistance with federal agencies.
Investment Project Advocacy	<u>EDOs</u> can request high-level advocacy from the federal government, via SelectUSA , to support their pitch when faced with competition from a non-U.S. jurisdiction for a firm's investment.

SelectUSA Investor Guide

This presentation will provide a general overview of the SelectUSA [Investor Guide](#) and highlights seven of 14 chapters.

Views expressed in these chapters are those of the authors, and not necessarily that of the International Trade Administration. The guide does not constitute legal advice. Readers interested in investing in the United States should consult legal counsel.

SelectUSA Investor Guide

Chapters Include:

Chapter 1: Overall Investment Checklist

Chapter 2: Immigration

Chapter 3: Business Structure

Chapter 4: Taxes

Chapter 5: Workforce

Chapter 6: FDI Restrictions

Chapter 7: Committee on Foreign
Investment in the United States

Chapter 8: Intellectual Property

Chapter 9: Banking Checklist

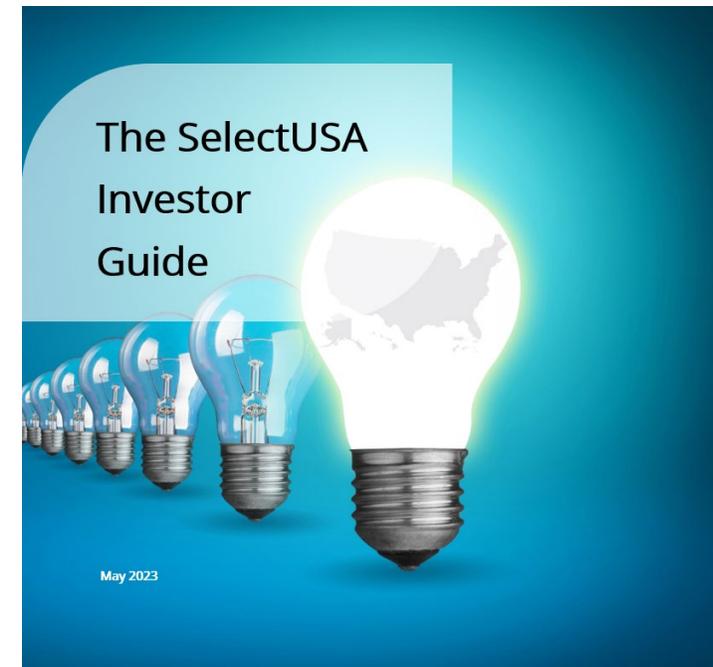
Chapter 10: Site Selection

Chapter 11: Economic Development
Incentives

Chapter 12: Federal Procurement

Chapter 13: U.S. Capital Market Structure

Chapter 14: Partnering with U.S. Research Organizations





Chapter One: Overall Investment Checklist

Robert Calafell, *National Credits & Incentives Leader*, RSM

Matt Dollard, *Global Expansion Advisory Leader*, RSM

Goran Lukic, *Director*, RSM

Source: [SelectUSA Investor Guide – Chapter One](#)

Key Questions for Establishing Your Business in the United States

- What is your strategy?
- What are your goals?
- Where will you focus?
- How will your product or service succeed?
- How will you configure business operations to meet your goals?
- What is your plan?

Key Checklist for Foreign Investment in the United States

- Investment Planning
- Expansion Strategy Development
- Tax and Entity Planning
- Human Resources Planning
- Accounting and Financial Reporting
- Facility Considerations

Overall Investment Checklist (1)

Investment Planning

- Create business and expansion strategic plan
- Select advisors
- Analyze tariff issues
- Conduct tax analysis
- Develop implementation plan

Expansion Strategy Development

- Analyze location, labor, and site selection analysis
- Evaluate tax credits, incentives, and grants
- Conduct operational analysis

Tax and Entity Planning

- Determine entity type and structure
- Determine jurisdiction (state) location
- Obtain FEIN and state tax ID – tax registration
- Register with the Secretary of State
- Complete federal and international tax planning
- Complete state and local tax planning
- Calculate employment tax and withholdings

Overall Investment Checklist (2)

Human Resources Planning

Review social security and other employee benefits

Assess Affordable Care Act and employers' liability

Secure visas for non-U.S. employees

Accounting and Financial Reporting

Select accounting software/provider

Determine accounting and reporting procedures

Determine financial audit requirements

Facility Considerations

Secure real estate

Obtain required permits / licenses

Establish technology / IT needs



Chapter Four: Taxes

Jillian Symes, Ernst+Young
Julia Tonkovich, Ernst+Young
Brian Smith, Ernst+Young

Source: [SelectUSA Investor Guide – Chapter Four](#)

Navigating the U.S. Federal Tax Code and Regulations

- **Choice of Entity**
- **Financing U.S. Operations**
- **Repatriation of U.S. Earnings**
- **State, Local, and Other Taxes**
 - State Income Taxes; Sales and Use Taxes; Employment Taxes; Federal, State, and Local Credits and Incentives

Corporate Tax Rates

Corporate tax rates at a glance
(last updated 2022)

<i>Nature of tax</i>	<i>Rate</i>
Corporate income tax	21%
Capital gains	21%
State and local income taxes	Varies by state from 0% to 13%, but generally deductible against federal income tax
FDAP withholding taxes, including dividends, interest, rents, royalties	30% (applicable to non-U.S. recipients) - note this may be reduced under an applicable treaty
Branch profits tax	30% (applicable to non-U.S. recipients) - note this may be reduced under an applicable treaty

**Additional taxes, including federal payroll taxes, duties and customs and a variety of other state and local taxes, may apply.*



Chapter Five: Workforce

Michael Sachs, *Senior Attorney*, Clark Hill

Adam Boland, *Member*, Clark Hill

Vanessa Kelly, *Senior Attorney*, Clark Hill

Paul Starkman, *Member*, Clark Hill

Charles Russman, *Senior Counsel*, Clark Hill

Source: [SelectUSA Investor Guide – Chapter Five](#)

Creating Employment Success

- **The Employment Relationship**
 - Recruitment, Interviews, Ban the Box Laws, Pre-Hiring Drug Testing, Managing the Workforce
- **At-Will Employment**
- **Use of Employment Agreements**
- **Compliance**
 - Employment Laws; Wage & Hour Laws; Leave of Absence (LOA) Laws; Required Harassment Prevention Training; Posters, Notices and Filings; Work Eligibility; “Right to Work”
- **Privacy Laws**
- **Employee Recourse**



Chapter Ten: Site Selection

Gregory C. Burkart, *Managing Director and Practice Leader*, Kroll
Keith Hopkins, *CEO*, StageXchange, LLC

Source: [SelectUSA Investor Guide – Chapter Ten](#)

Site Selection: Key Variables, Processes, and Technologies

- **Site Selection Process**

- Plan

- Consider corporate strategy, facility purpose, and advice from stakeholders

- Research

- Process of elimination using data to narrow a long list to a shorter list with more refined criteria

- Model Costs

- Use a discounted cash flow analysis to directly compare potential communities in quantifiable terms

- Tour Sites

- Select a preferred site



Chapter Eleven: Economic Development Incentives

David Hickey, *Managing Director*, HICKEY
Jason Hickey, *President and CEO*, HICKEY

Source: [SelectUSA Investor Guide – Chapter Eleven](#)

An Introduction to Incentives in the United States

- **Partners**

- State Governments; Local Governments; Utility Providers; Federal Government

- **Types of Economic Development Incentives**

- Corporate Income Tax Incentives; Consumption Tax Incentives; Workforce Tax Incentives; Grants; Infrastructure; Utility and Energy Incentives; Lending and Finance; Job Training; Complex Incentives

- **Process to Secure Incentives**

- Research and Model; Economic Development Engagement; Information and Data Disclosure; Negotiation; Legal Documentation



Chapter Thirteen: U.S. Capital Market Structure

Diana Raedle, *President and CEO*, Deer Isle Group, LLC

Source: [SelectUSA Investor Guide – Chapter Thirteen](#)

Understanding the U.S. Capital Market Structure for Capital Raising Success

- **The U.S. Capital Provider Landscape**
 - The primary investment type, the typical investment range, and additional notes on the different capital provider types
- **Regulations**
 - Bank regulations; Public capital market regulations; Private capital market regulations; Investment Company Act; Crowd Funding/Reg A+; Crypto/Digital Assets
- **How to Ensure the Investment Proposition Matches Capital Provider Goals**
- **Presentation Best Practices**
 - Design and formatting; Vision and path to executable returns; Concrete supporting information; Delivery and meeting dynamics; Regulatory and legal standards



Chapter Fourteen: Partnering with U.S. Research Organizations

Temple University

Source: [SelectUSA Investor Guide – Chapter Fourteen](#)

Establishing Partnerships with U.S. Research Organizations

- **Universities**

- Types of partnerships, including sponsored research agreements; key opinion leaders; service agreements; licensing; spinout companies
- Other university programs and resources, such as incubators and small business development centers

- **Federal Agencies**

- The Federal Laboratory Consortium for Technology Transfer (FLC) tools, including the FLC Business database and the FLC Technology Locator
- Collaborate with the National Institute of Health

Financing Your U.S. Launch

- Assistance From Your Home Country and Bi-National Programs
- Introduction to the U.S. Local Investment Community
- U.S. Grants and Loans (local and national)
- Equity-based Accelerators
- Seed Funding by Angel Investors
- Early-Stage Investment Venture Capital

SelectUSA Investment Summit

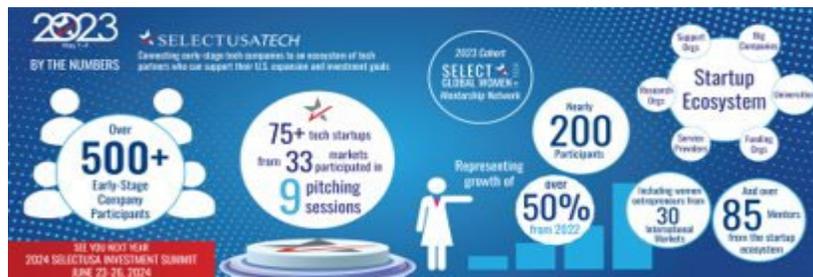
- The SelectUSA Investment Summit is the **highest profile event** in the United States dedicated to promoting FDI.
- The Investment Summit is a **one-stop shop** for companies expanding to the United States and provides EDOs with the opportunity to meet directly with international companies to facilitate investment deals.
- The SelectUSA Investment Summit has directly helped generate **over \$110 billion in new U.S. investment projects, supporting more than 82,000 jobs** across the United States and its territories.



2024 SelectUSA Investment Summit

June 23-26, 2024 at National Harbor, MD

www.selectusasummit.us



Industry Spotlights



EDO Programming



Tailored Workshops



High-Level Speakers

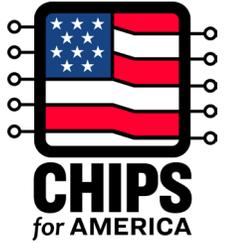
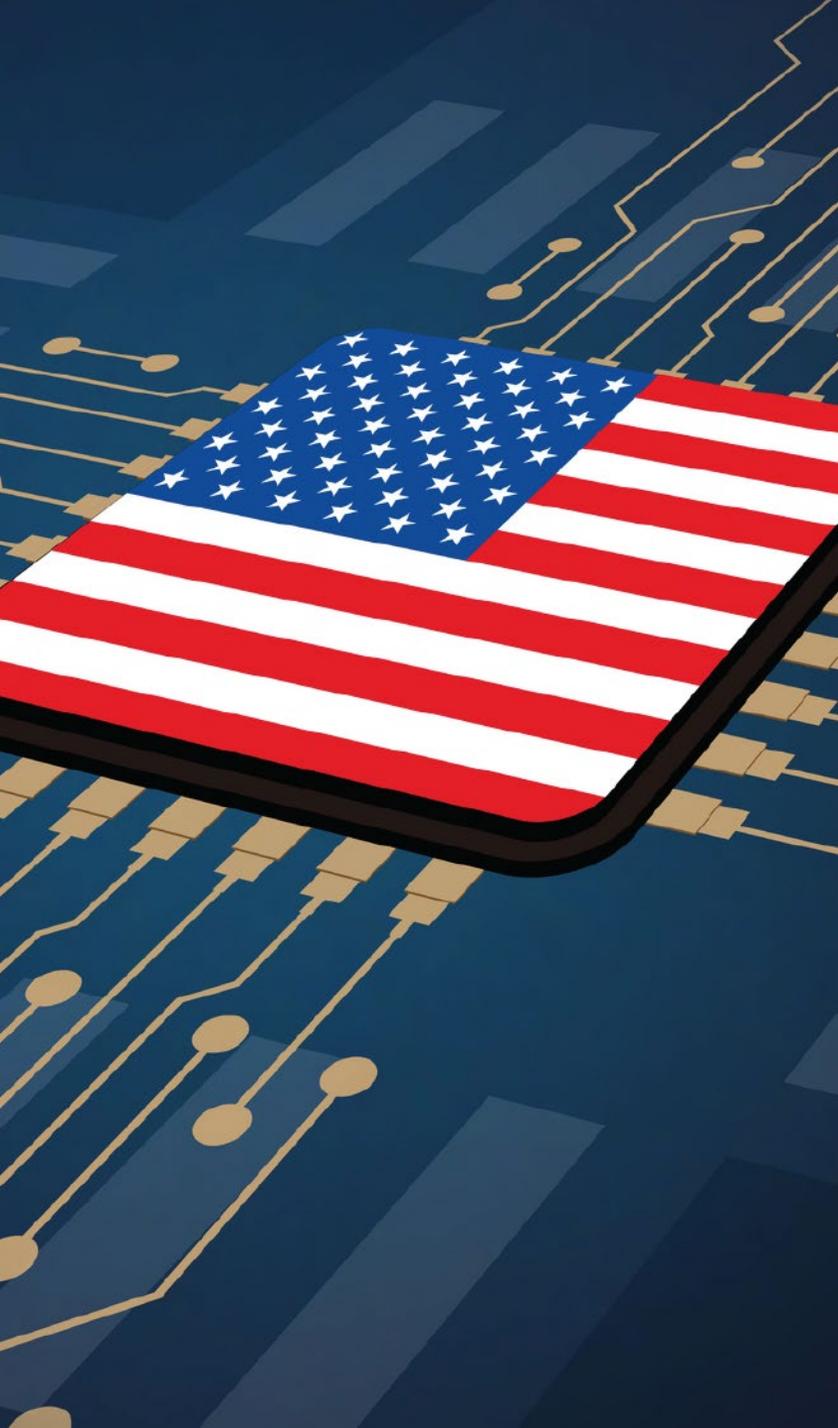


One-on-one Matchmaking



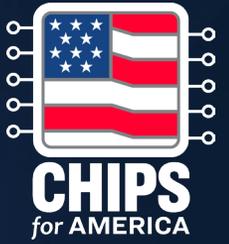
SelectUSA Tech Pitch Sessions





Resources

- **SelectUSA Investor Guide:** <https://www.trade.gov/selectusa-investor-guide>
- **SelectUSA Online Resources:** <https://www.trade.gov/selectusa-resources-and-information>
- **SelectUSA EDO Tools:** <https://www.trade.gov/selectusa-edo>
- **CHIPS for America Updates:** <https://www.nist.gov/chips>



Thank You!