





addition to committing their own significant resources, potential applicants are encouraged to explore creative financing structures to tap a variety of sources of capital.

- **Leverage collaborations to build out semiconductor ecosystems:** The CHIPS incentives program will encourage collaboration between industry stakeholders, investors, customers, designers, suppliers, and international firms. Such collaborations could include purchase commitments, partnerships that enable fabless design or collaborations between suppliers and producers.
- Secure additional financial incentives and support to build regional and local industry clusters that strengthen communities: The CHIPS incentives program requires applicants to secure state or local incentives. The Department expects to give preference to projects that include state and local incentive packages that maximize regional and local competitiveness, invest in the surrounding community, and prioritize broad economic gains, rather than outsized financial contributions to a single company.
- **Establish a secure and resilient semiconductor supply chain:** The CHIPS incentives program will prioritize projects that adhere to standards and guidelines on information security, data tracking and verification, and that collaborate on further development and adoption of such standards.
- **Expand the workforce pipeline to match increased domestic capacity workforce needs:** The CHIPS incentives program will create good-paying jobs that benefit all Americans, including economically disadvantaged individuals and populations that may be underrepresented in the industry. The program will prioritize workforce solutions that enable employers, training providers, workforce development organizations, labor unions, and other key stakeholders to work together. The goal is to create more paid training and experiential apprenticeship programs, provide wrap around services, prioritize creative recruitment strategies and hire workers based on their acquired skills.

- **Create inclusive and broadly shared opportunities for businesses:** The CHIPS incentives program will prioritize projects that proactively work to ensure that small businesses; minority-owned, veteran-owned, and women-owned businesses; and businesses in rural areas benefit from the opportunities generated by the program.
- **Provide robust financial plans:** Applicants will be required to provide detailed project-specific and entity-level financial data to ensure that incentives funds are meeting the economic and national security goals of the program while protecting taxpayer dollars.

#### **The CHIPS for America Fund will include guardrails to protect taxpayers:**

Throughout the implementation of the CHIPS incentives and R&D programs, the Department will work to maximize the public benefits of federal investments, protect national security interests, and ensure that funds produce broadly shared benefits. Federal funding will be contingent on the necessity, appropriateness, and long-term, economic viability of a project. The Department can seek the return of funds if awardees fail to start or complete projects on time or if applicants fail to meet certain application commitments. The Department will also implement congressionally mandated guardrails to ensure beneficiaries of CHIPS funds cannot compromise national security by investing in the latest technology in countries of concern. Davis-Bacon requirements will apply to CHIPS-funded construction projects, which ensures workers earn local prevailing wages. Finally, recipients cannot use any CHIPS funds on stock buybacks or dividend payments to shareholders.

#### **The Department will coordinate with partners and allies:**

The Department, in collaboration with other agencies, will engage with allies and partners that are providing government funding to their own semiconductor industries or developing critical R&D, workforce, and supply chain capabilities.