

FACT SHEET:

Supply Chain Funding Opportunities

To establish a vibrant domestic semiconductor industry, the United States must invest across the semiconductor supply chain—including the upstream materials and manufacturing equipment critical to chip manufacturing. Investing in semiconductor materials and manufacturing equipment facilities will be key to strengthening the overall resilience of the semiconductor ecosystem, advancing U.S. technology leadership, and building productive fabrication clusters.

As part of implementing the bipartisan CHIPS and Science Act, the Department of Commerce is releasing two funding opportunities for suppliers. The first, launched on June 23, 2023, expands the scope of the February 2023 funding opportunity to include projects for the construction, expansion, or modernization of semiconductor materials and manufacturing equipment facilities for which the capital investment equals or exceeds \$300 million. The second, to be released in the fall of 2023, will seek applications for semiconductor materials and manufacturing equipment facilities with capital investments below \$300 million.¹

The Department has also released a “Vision for Success” articulating core strategic objectives for investments in the supply chain that will guide implementation.

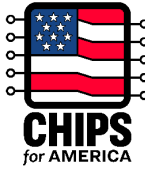
VISION FOR SUCCESS: SEMICONDUCTOR SUPPLY CHAIN

The Vision for Success outlines three primary goals: strengthening supply chain resilience, advancing U.S. technology leadership, and supporting vibrant U.S. fab clusters.

The United States and its allies and partners produce the world’s most advanced semiconductor manufacturing equipment and materials. But as the semiconductor supply chain has expanded overseas over the past several decades, the United States has also grown vulnerable to risks stemming from the geographic concentration of critical components of the supply chain and threats to supply chain security and integrity. At the same time, CHIPS for America presents a unique opportunity to build on U.S. strengths in the supply chain as a historic expansion of U.S. chipmaking capacity that boosts domestic demand for manufacturing inputs.

To capitalize on this opportunity and address supply chain vulnerabilities, the Vision for Success outlines three goals for the end of the decade:

- **Strengthening supply chain resilience.** The United States and its allies and partners will reduce chokepoint risks flowing from geographic concentration, and supply chain participants will improve the transparency of demand and supply to reduce the risks of production disruptions due to chronic shortages of critical supply chain inputs.
- **Advancing U.S. technology leadership.** The United States will have incentivized major U.S. semiconductor manufacturing equipment and materials suppliers to increase their footprints in the United States, reinforcing U.S. technology leadership, and non-U.S. suppliers of the world’s most advanced semiconductor manufacturing equipment, materials, and subsystems will likewise have established footprints here.



- **Supporting vibrant U.S. fab clusters.** Each CHIPS-funded fab cluster in the United States will be supported by dozens of suppliers, including many that will be investing here for the first time.

For more details, see [“Vision for Success: Facilities for Semiconductor Materials and Manufacturing Equipment.”](#)

To meet these objectives, the Department is releasing two funding opportunities for the supply chain: one for large-scale materials and manufacturing equipment projects, and one for smaller projects.

FUNDING OPPORTUNITY: LARGER SUPPLY CHAIN PROJECTS

The first opportunity, for large-scale projects, is open to potential applicants seeking to construct, expand, or modernize materials or manufacturing equipment facilities for which the capital investment equals or exceeds \$300 million.

Potential applicants may submit pre-applications on a rolling basis beginning September 1, 2023, and full applications on a rolling basis beginning October 23, 2023.

The funding opportunity is an expansion of the Department’s first Notice of Funding Opportunity for commercial fabrication facilities and follows the same five-part application process laid out there: statement of interest, pre-application (optional but recommended), full application, due diligence, and award preparation and issuance. Applicants will be evaluated 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.

For more details, see the [CHIPS Incentives Program – Commercial Fabrication Facilities Notice of Funding Opportunity](#) and [Frequently Asked Questions \(FAQs\)](#) relating to the first funding opportunity for suppliers.

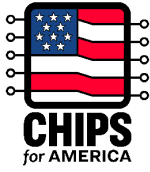
FUNDING OPPORTUNITY: SMALLER SUPPLY CHAIN PROJECTS

The dedicated funding opportunity for smaller projects coming later in 2023 will include a focus on supporting vibrant U.S. fab clusters.

This funding opportunity will be open to potential applicants seeking to construct, expand, or modernize materials or manufacturing equipment facilities for which the capital investment falls below \$300 million. The Department will seek applications that advance any of the three goals outlined in the Vision for Success. For projects advancing the third goal—supporting vibrant U.S. fab clusters—the Department will encourage suppliers to consider applying as part of a consortium that promotes the development and sustainability of semiconductor clusters.

Successful consortia might include multiple supplier facilities, one or more state or local government entities, and an anchor institution such as a semiconductor fab. Consortia may also include workforce providers, labor unions, economic development corporations, institutions of higher education, philanthropic foundations, industry organizations, or other relevant entities. One example of a strong consortium could be a science park in which state or local government entities provide land, shared utilities and infrastructure, streamlined permitting, and incentives to a group of suppliers located near a fab.

The Department expects that large-scale investments by fabs will naturally result in the organic development of a proximate upstream supply chain and intends to reserve its funding to support investments that would not happen without CHIPS funding. The Department is also dedicating staff to support the formation of clusters, including by helping communities and businesses access resources critical to cluster growth, such as those related to permitting, infrastructure, workforce development, and others.



The funding opportunity for smaller projects will include a different application process designed for smaller businesses.

The application process will include two primary phases. In the first phase, applicants will be asked to submit a concept plan describing how the proposed project addresses core program priorities. The Department will then invite a certain number of promising applicants to the second phase, where they will have the opportunity to submit a full application.

The Department will announce more details about the application process and timeline later this year. For general inquiries regarding the second funding opportunity, email askchips@chips.gov.