

# CHIPS *for* AMERICA



First Annual Report Regarding the  
Opportunity and Inclusion Activities  
Undertaken by the Department  
of Commerce Under Section 104,  
Public Law 117-167, Division A

**CHIPS for America**

March 2024



**CHIPS**  
*for* AMERICA

**NIST** | NATIONAL INSTITUTE OF  
STANDARDS AND TECHNOLOGY  
U.S. DEPARTMENT OF COMMERCE

## INTRODUCTION

The Creating Helpful Incentives to Produce Semiconductors (CHIPS) Program Office at the Department of Commerce is pleased to present this first annual Report to Congress regarding the actions taken by the Department under Section 104 of Public Law 117-167, Division A (“Section 104”)<sup>1</sup> of the CHIPS Act. Section 104(a)-(b) directs the Secretary of Commerce to establish activities within the CHIPS Incentives Program under Section 9902 of P.L. 116-283, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4652) and “assign personnel to lead and support these activities.” Section 104(c) specifies three major sets of activities: (1) assess the eligibility of applicants for CHIPS funding, (2) ensure that awardees carry out commitments to economically disadvantaged individuals, and (3) increase the “participation of and outreach to economically disadvantaged individuals, minority-owned businesses, veteran-owned businesses, and women-owned businesses.”<sup>2</sup> Section 104(e) directs the Secretary of Commerce to submit this Report annually to appropriate committees of Congress and make it publicly available on the Department’s website.

The CHIPS Program Office incorporated the objectives under Section 104 into each step of implementing Section 9902 to fulfill Congress’s directive as well as to ensure the long-term success of the Program and the domestic semiconductor ecosystem. In January 2023, the CHIPS Program Office onboarded and assigned a presidentially appointed Senior Advisor for Opportunity and Inclusion to lead, coordinate, and execute activities described by Section 104. Additionally, three full-time staff have been allocated to the office for a total of four dedicated personnel. The specific activities described in Section 104(c) are fulfilled by these Opportunity and Inclusion staff members

as well as by staff across the CHIPS Program Office, including its Director, the External and Government Affairs team, and the Strategy team, and by staff in the Office of the General Counsel’s Office of the Chief Counsel for Semiconductor Incentives (collectively referred to as the “CHIPS team”).

This report describes how the CHIPS team has established and will continue taking actions pursuant to Section 104:

- (1) assessing the eligibility of covered entities;
- (2) making preparations to ensure that award recipients will carry out their commitments to economically disadvantaged individuals; and
- (3) conducting outreach to increase the participation of economically disadvantaged individuals, minority-owned businesses, women-owned businesses and veteran-owned businesses and serving as a resource for those individuals, businesses, and covered entities.

## I. ASSESSING THE ELIGIBILITY OF A COVERED ENTITY FOR A SECTION 9902 AWARD

The CHIPS Program Office established activities and assigned personnel to assess the eligibility of covered entities, including whether a covered entity has “(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,” as required by Section 9902(a)(2)(B)(ii)(II)-(III).

The CHIPS team developed and launched two notices of funding opportunity that implement these eligibility criteria and assigned personnel who reviewed applications to ensure that applicable criteria have been met for applicants to qualify for Section 9902 funding. The first Notice of Funding Opportunity (NOFO) was released on February 28, 2023, for Commercial Fabrication Facilities, and widened on June 23, 2023, to seek applications for the construction, expansion, or modernization of commercial facilities for semiconductor materials and manufacturing equipment for which the capital investment equals or exceeds \$300 million. The second NOFO was released on September 29, 2023, for smaller-scale upstream supply chain projects for which the capital investment falls below \$300 million. Both NOFOs integrate Section 104 objectives throughout their specified application requirements and review process.

For example, the first NOFO requires a workforce development plan that includes the following five elements: (1) a workforce needs assessment, including an assessment of job types, skills, and workers needed over time; (2) strategies for worker recruitment and retention, including plans to address well-known workplace barriers; (3) the applicant's approach to meeting the Good Jobs Principles published by the Departments of Commerce and Labor; (4) commitments to provide workforce training and wraparound services, including programming for training and job placement for economically disadvantaged individuals; and (5) the core milestones the program aspires to achieve, as well as metrics and processes to measure, track, and report publicly on these goals and commitments. The plans are to also include investments and commitments to create good jobs and recruit, train, screen, hire, retain, and upskill a diverse workforce sufficient to meet the operating needs of the facility.

Moreover, the first NOFO also requires applicants to document the broader impacts of their proposed project, such as applicants' plans to include minority-owned, veteran-owned, women-owned and small businesses and to invest in their communities by addressing barriers to economic inclusion, among other criteria. The NOFO strongly encourages applicants to form sector training partnerships, which research has shown lead to sustained earnings gains for workers. The first NOFO also requires recipients with costs above \$35 million to partner with the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) in the Mega Construction Project Program, if selected by OFCCP, as a condition of their award.<sup>3</sup> Recognizing the critical role of child care in expanding employment opportunities for economically disadvantaged individuals, including economically disadvantaged women, the first CHIPS NOFO also requires applicants requesting CHIPS Direct Funding over \$150 million provide a plan for access to child care for facility and construction workers, e.g., through on- or near-site child care, pre-arranged agreements with existing child care providers, child care subsidies, or other similar measures.

The requirements of the second NOFO are similar to those in the first NOFO. For example, the second NOFO also requires each applicant to provide a workforce development narrative with a strategy to recruit, train, hire, retain, and upskill a diverse workforce within their facility. Furthermore, the NOFO requires applicants to describe their community investment commitments that address barriers to economic inclusion.

The NOFOs also establish a "merit review" process for the CHIPS team, specifically a full-time Opportunity and Inclusion staff member, to review plans regarding workforce development

and broader impacts including how applicants plan to include minority-owned, women-owned, veteran-owned and small businesses and their commitments to community investment. During the merit review process, Opportunity and Inclusion personnel review submitted materials to ensure that:

- The workforce plan includes actions to attract, train, hire, retain, and promote economically disadvantaged individuals in both construction and facilities workforces.
- Applicants have a plan to track and share demographically disaggregated facility and construction workforce data.
- Applicants have a plan to proactively engage with minority-owned, women-owned, veteran-owned, and small businesses.
- Applicants have a quality and comprehensive plan to develop local community investments that will drive regional equity and inclusion and broad-based growth, especially through regional economic clusters, as well as the degree of demonstrated community support and alignment of investments with local needs

Opportunity and Inclusion personnel have also engaged with applicants to seek further information and clarification, provide feedback, and assist in negotiating the preliminary terms of a potential award as part of a larger team and process.

Opportunity and Inclusion personnel also advise the Investment Committee (a group that oversees an individual, qualitative merit assessment of applications and recommends whether to advance or deny applications) and the Transaction Review Committee (a group of senior Department leadership that must approve an application prior to issuance of a CHIPS Incentives Award under the first NOFO)

to share findings related to an applicant's satisfaction of program objectives regarding workforce development, inclusive business opportunities, and community investment. Moreover, Opportunity and Inclusion personnel are involved in, and provide input for, the development of preliminary memoranda of terms (PMTs)<sup>4</sup>, due diligence activities, the long-form term sheet, and final award and reporting documents.

## **II. CONFIRMING THAT AWARD RECIPIENTS ARE CARRYING OUT COMMITMENTS TO ECONOMICALLY DISADVANTAGED INDIVIDUALS.**

As detailed in the CHIPS Act, in order for an applicant to qualify for a Section 9902 award, an applicant must demonstrate that it has made commitments to worker and community investment, in the form of training and education benefits paid by the covered entity along with programs to expand employment opportunities for economically disadvantaged individuals.<sup>5</sup> Additionally, the applicant must secure commitments from both regional educational and training entities as well as institutions of higher education to provide workforce training, including programming for training and job placement of economically disadvantaged individuals.<sup>6</sup>

As of the writing of this report, no awards have been made, so there are no commitments by award recipients to report. In negotiating PMTs, however, the CHIPS team has taken meaningful steps to ensure that potential recipients are meeting their statutory commitments, including securing written commitments from applicants. In addition, the CHIPS team has established processes to: (1) continue to work with applicants while completing due diligence

activities to support the revision of their plans for workforce development, supplier diversity, and community investment; (2) memorialize commitments in long-form term sheets and award documents; and (3) conduct regular reviews of applicant progress as part of post-award monitoring.

In addition, the CHIPS team is creating vibrant, self-sustaining regional ecosystems, or “clusters”,<sup>7</sup> including by partnering with state and local governments to provide guidance to potential awardees in their regions to help them meet prospective commitments to community investment and economic opportunity.

### **III. INCREASING PARTICIPATION OF AND OUTREACH TO ORGANIZATIONS SERVING OR REPRESENTING ECONOMICALLY DISADVANTAGED INDIVIDUALS, MINORITY-OWNED BUSINESSES, VETERAN-OWNED BUSINESSES, AND WOMEN-OWNED BUSINESSES, AND SERVING AS A RESOURCE FOR THOSE INDIVIDUALS, BUSINESSES, AND COVERED ENTITIES.**

The CHIPS Program Office is committed to increasing participation of and outreach to economically disadvantaged individuals, minority-owned businesses, veteran-owned businesses, and women-owned business, and has assigned CHIPS team members to develop programming around the following goals:

- Educate stakeholders on the CHIPS Act;
- Convene stakeholders and others to support partnerships and collaboration; and

- Provide support and technical assistance during and post-NOFO award to ensure stakeholders are fully engaged and benefit from the implementation of the CHIPS Act.

Stakeholders include a diverse array of national and regional organizations, such as:

- Civil rights organizations, including national, regional and local organizations
- Economic development organizations, including region and issue specific organizations
- Small , veteran-owned, women-owned and minority-owned business organizations, including trade associations, and national and regional chambers of commerce
- Professional associations, including a variety of professions related to the semiconductor industry
- Academic institutions, consortia and associations
- Community-based/faith-based institutions, including national, regional and local organizations
- Labor unions
- State and local workforce development agencies

The CHIPS team has accordingly briefed approximately 100 organizations about the CHIPS Act and continues to seek out stakeholder organizations for additional briefings. A representative, although not necessarily comprehensive or exhaustive, list of organizations is included below. These organizations individually and together play critical roles in increasing opportunity and inclusion for economically disadvantaged individuals, minority-owned businesses, veteran-owned businesses, and women-owned businesses. Labor unions, for example, are

crucial partners in ensuring that economically disadvantaged individuals have access to good jobs. Labor union engagement has also focused on: expanding access to apprenticeship readiness programs (ARPs), which can help to create pathways for economically disadvantaged individuals in trades; strategies to increase representation of women in the construction workforce; and strategies to increase veteran representation in the semiconductor workforce.

The CHIPS team, including the External and Government Affairs team, also routinely engages with organizations not listed here that do not specifically focus on or serve economically disadvantaged individuals as defined in appendix II. The CHIPS team plans to continue to expand outreach efforts in the 2024 calendar year.

The CHIPS team also coordinates with, and leverages, additional governmental bodies to support outreach efforts. Within the Department of Commerce, the CHIPS team has engaged

the Economic Development Administration and the Minority Business Development Agency. Also at the federal level, the CHIPS team has worked with the White House, the Department of the Treasury, the Department of Labor, including Veteran’s Employment and Training Services, the Department of Education, the Small Business Administration, and the National Science Foundation, as well as with congressional groups. For example, the CHIPS team has attended events hosted by the HBCU Caucus and the Congressional Black Caucus Foundation’s Annual Legislative Conference, and Opportunity and Inclusion personnel presented to Members of the Congressional Tri-Caucus and their staff. The CHIPS team has also engaged local and state governments across the country.

The Opportunity and Inclusion team has completed these engagements to more effectively engage with applicants and their efforts to increase the participation of and outreach to economically disadvantaged individuals.

### CIVIL RIGHTS ORGANIZATIONS

- CLASP
- Columbus Chapter of the National Urban League
- Intertribal Council of Arizona
- NAACP and various chapters
- National Action Network
- National Partnership for Women and Families
- National Urban League; and affiliates
- National Women’s Law Center
- NCLR
- Ohio Women’s Coalition
- UnidosUS and affiliates

**ECONOMIC DEVELOPMENT ORGANIZATIONS**

- Arizona Commerce Authority
- Aspen Institute
- Boise Valley Economic Partnership
- CDFI Coalition
- CenterState CEO
- Columbus Partnership / OneColumbus
- CUNA
- Empire State Development NY
- GEM Fellowship
- Greater Phoenix Economic Council
- Helmets to Hardhats
- Institute for Veteran and Military Families
- Invest PR
- JustLeadership USA
- LISC & Rural LISC
- Low-Income Investment Fund (LIIF)
- Manufacturing Institute
- Michigan Economic Development Corporation
- Mid-Ohio Regional Planning Commission
- Minnesota Department of Employment and Economic Development
- Minority Business Division, Ohio Dept. of Development
- National Association for Latino Community Builders (NALCAB)
- New Jersey Department of Labor & Workforce Development
- North Central Texas Economic Development District
- PIK2AR
- Prosperity Now
- Rapoza & Associates
- Small Business Investor's Alliance (SBIA)
- VET S.T.E.P.
- Wells Fargo - Rural
- Wisconsin Economic Development Corporation

**SMALL/MINORITY/WOMEN/VETERAN BUSINESS ORGANIZATIONS**

- Asian American Commerce Group of Columbus
- Cain, LLC
- Central Ohio African American Chamber of Commerce
- Diversity Chamber of Central Ohio
- Hispanic Chamber of Commerce of Columbus
- National ACE
- National Association of Women-Owned Business – Columbus Chapter
- National Minority Supplier Development Council
- National Small Business Association
- National Women’s Business Council
- Ohio Minority Supplier Development Council
- Oregon Business Council
- Oregon STEM
- Public Private Strategies Institute
- Small Business Majority
- U.S. Black Chamber of Commerce
- U.S. Hispanic Chamber of Commerce
- Women Impacting Public Policy
- Women’s Business Enterprise Council Ohio River Valley (WBEC ORV)

**PROFESSIONAL ASSOCIATIONS**

- American Association of Blacks in Energy
- American Federation of Teachers
- AnitaB.org and Grace Hopper Celebration
- Associated General Contractors of America
- Chicago Women in Trades
- IEEE Women in Engineering
- Manufacturing Institute
- National Association of Security Professionals
- National Council for Women in Technology
- National Society of Black Engineers (NSBE)
- North America’s Building Trades Unions / TradesFutures
- SEMI Foundation
- Society of Hispanic Professional Engineers (SHPE)
- Society of Women’s Engineers (SWE)
- State Science & Technology Institute



**ACADEMIC INSTITUTIONS, CONSORTIA AND ASSOCIATIONS**

- Alabama A&M University
- Austin Community College District
- Black Alliance of Colleges and Employers
- Boise State University
- Boston University
- Central State University
- EDGE Consortium
- Florida A&M University
- Franklin W. Olin College of Engineering
- GlobalMindED
- Hispanic Association of Colleges and Universities
- Institute for Educational Leadership
- Jarvis Christian University
- Mercy College
- Morgan State University
- National Academies of Sciences, Engineering, and Medicine
- National Association for Equal Opportunity in Higher Education
- Norfolk State University
- North Carolina A&T University
- Northern Arizona University
- Onondaga Community College
- OSU Midwest Semiconductor Network
- Paul Quinn College
- Prairie View A&M University
- San Francisco State University
- Savannah State University
- Tennessee State University
- Texas Southern University
- Thurgood Marshall College Fund
- Tuskegee University
- United Negro College Fund, Inc.
- University of Arizona - Tempe
- University of Maryland Eastern Shore
- University of North Texas at Dallas
- University of Texas at Arlington
- University of Texas at Austin
- University of Texas at El Paso
- Virginia State University
- White House Initiative on Advancing Educational Equity, Excellence, and Economic Opportunity through Historically Black Colleges and Universities
- White House Initiative on Hispanic Educational Excellence and Economic Opportunity
- Wilberforce University

**COMMUNITY-BASED/FAITH-BASED INTUITIONS**

- 100 Black Men of America (National) and chapters
- Faithful Few
- Fresh Start Women’s Foundation (Phoenix, AZ)
- JobsFirstNYC
- JobsOhio
- Kappa Alpha Psi Fraternity, Inc.’s Achievement Academy
- National Action Network, Syracuse Chapter
- National Science Foundation Upstate
- Louis Stokes Alliance for Minority Participation at Syracuse University
- National Youth Employment Coalition
- Omega Psi Phi Fraternity, Inc.
- OmegaSTEM
- Partnership for Youth Apprenticeship out of New America
- Science, Technology and Engineering Program at Syracuse

The CHIPS Program Office also developed resources to support the participation of economically disadvantaged individuals, as well as veteran-owned, women-owned, and minority-owned businesses. For instance, the CHIPS team developed and released a teaming partner list in June 2023 accessible through the CHIPS.gov website. The teaming partner list enables entities to share information, foster collaboration, and advance shared goals. This list allows entities to add their contact information and capabilities so that potential applicants can reach out and consider using their expertise to advance the CHIPS Act’s objectives. Since there are many entities interested in supporting the CHIPS Incentives Program that may not be eligible to apply on their own, the Department’s teaming list can facilitate potential partnerships and collaboration to advance economic and national security interests.

This teaming partner list includes businesses that may not qualify as covered entities under the Section 9902 funding opportunities, as well as organizations that provide support services relevant to the execution of the program.

These entities can include educational and workforce training providers; childcare providers; organizations that engage or support minority-owned, women-owned, and veteran-owned businesses; community-based organizations; labor unions; and others. This list does not directly connect entities to potential applicants, but it enables external entities to signal interest in exploring potential strategic partnerships. The CHIPS Program Office does not endorse, sponsor, or otherwise evaluate the qualifications of the entities and organizations that have self-identified for placement on the list. Entities seeking to use the list are advised to conduct their own due diligence of any entity they contact. Seven hundred and fifty-seven [757] entities have shared their contact information and capabilities as of February 1, 2024.

The CHIPS Program Office is also working to support applicants as they develop and execute plans to increase participation of and outreach to economically disadvantaged individuals, minority-owned businesses, veteran-owned businesses, and women-owned businesses. For instance, the CHIPS team developed and released

two guides and a series of webinars responsive to these topics.

**Workforce Development Planning Guide:** Under the CHIPS Act, and as stated in the first NOFO, the applicant must document workforce needs and provide a strategy to meet them through a workforce development plan. The workforce development plan must demonstrate appropriate investments and commitments to recruit, train, hire, retain, and upskill a skilled and diverse workforce. CHIPS for America developed the Workforce Development Planning Guide as a resource for applicants responding to the February 2023 NOFO for the construction and expansion of commercial leading-edge, current, and mature node fabrication facilities under the CHIPS Incentives Program. The Workforce Development Planning Guide, available online via CHIPS.gov<sup>8</sup>, supplements the NOFO and is for informational purposes only.

**Creating Inclusive Opportunities for Businesses Guide:** Under the CHIPS Act, applicants for CHIPS funding must document the broader impacts of proposed projects, including how they intend to include small businesses, minority-owned businesses, veteran-owned businesses, and women-owned businesses through a supplier diversity plan. CHIPS for America offered the Creating Inclusive Opportunities for Businesses Guide as a resource for applicants responding to the first NOFO, that was later amended on June 23, 2023, for the construction, expansion, or modernization of commercial facilities for (a) the front- and back-end fabrication of leading-edge, current, and mature node semiconductors; (b) wafer manufacturing; and (c) semiconductor materials and manufacturing equipment for which the capital investment equals or exceeds \$300 million. The Creating Inclusive Opportunities for Businesses Guide, available online via CHIPS.gov<sup>9</sup>, supplements the NOFO and is for informational purposes only.

**Opportunity and Inclusion Webinars (available online via the CHIPS.gov):**<sup>10</sup>

1. CHIPS for America Workforce Development Planning Guide Webinar (March 2023)
2. CHIPS Workforce Roundtable - Cross-Sector Partnerships (May 2023)
3. Leveraging Federal Opportunities for CHIPS Talent Development (May 2023)
4. Opportunity and Inclusion Roundtable Series: Veteran Recruitment, Hiring, and Retention (August 2023)
5. Creating Inclusive Opportunities for Businesses (August 2023)
6. The CHIPS Act: Designing & Acting on Child Care Solutions (October 2023)

## CONCLUSION

The CHIPS Program Office is committed to the opportunity and inclusion objectives established under Section 104 and firmly believes that the semiconductor industry cannot succeed unless all Americans have an opportunity to participate, including communities and individuals that have historically been underrepresented in the industry. Through the evaluation of applications, outreach to communities and stakeholders, and development of awardee accountability measures the CHIPS Program Office and its assigned personnel are ensuring that the requirements of Section 104 are realized. The CHIPS Program Office extends its thanks to members of Congress and their staffs for the continued attention and support to carry out these important objectives.

## ENDNOTES

- <sup>1</sup> See Appendix I for the excerpted statutory text of Section 104.
- <sup>2</sup> See Appendix II for definitions adopted by the Department with respect to these statutory terms.
- <sup>3</sup> OFCCP is charged with enforcing Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974. OFCCP has a Mega Construction Project Program through which it engages with project sponsors on designated Megaprojects as early as the pre-bid phase to help promote compliance with non-discrimination and affirmative action obligations. OFCCP selects projects that are required to participate in OFCCP's Mega Construction Project Program from a wide pool of federal or federally assisted projects over which OFCCP has jurisdiction and that have a project cost above \$35 million and are expected to last for at least one year.
- <sup>4</sup> A non-binding Preliminary Memorandum of Terms includes recommendations for the award's amount and form and may also include terms related to other strategic objectives.
- <sup>5</sup> Public Law 117-167, Division A, Section 104.
- <sup>6</sup> Public Law 117-167, Division A, Section 104.
- <sup>7</sup> The CHIPS Program Office has defined a "cluster" as "a geographically compact area with multiple commercial-scale fabs owned and operated by one or more companies; a large, diverse, and skilled workforce; nearby suppliers to the semiconductor industry; R&D facilities; utilities; and specialized infrastructure." Department of Commerce, "[Vision for Success: Commercial Fabrication Facilities](#)," February 28, 2023.
- <sup>8</sup> <https://www.nist.gov/system/files/documents/2023/03/30/CHIPS%20Workforce%20Development%20Planning%20Guide%20%281%29.pdf>
- <sup>9</sup> <https://www.nist.gov/system/files/documents/2023/08/21/Creating%20Inclusive%20Opps%20Guide-20230821.pdf>
- <sup>10</sup> <https://www.nist.gov/chips/chips-america-webinars>

**APPENDIX I: PUBLIC LAW 117-167, DIVISION A, SECTION 104**

(a) Establishment.—Not later than 180 days after the date of enactment of this Act [Aug. 9, 2022], the Secretary of Commerce shall establish activities in the Department of Commerce, within the program established under section 9902 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4652), to carry out this section using funds appropriated under this Act [div. A of Pub. L. 117-167].

(b) In General.—The Secretary of Commerce shall assign personnel to lead and support the activities carried out under this section, including coordination with other workforce development activities of the Department of Commerce or of Federal agencies, as defined in section 551 of title 5, United States Code, as appropriate.

(c) Activities.—Personnel assigned by the Secretary to carry out the activities under this section shall—

(1) assess the eligibility of a covered entity, as defined in section 9901 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4651), for financial assistance for a project with respect to the requirements under subclauses (II) and (III) of section 9902(a)(2)(B)(ii) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4652(a)(2)(B)(ii)(II) and (III));

(2) ensure that each covered entity, as defined in section 9901 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4651), that is awarded financial assistance under section 9902 of that Act (15 U.S.C. 4652) is carrying out the commitments of the covered entity to economically disadvantaged individuals as described in the application of the covered entity under that section by the target dates for completion established by the Secretary of Commerce under subsection(a)(5)(A) of that section; and

(3) increase participation of and outreach to economically disadvantaged individuals, minority-owned businesses, veteran-owned businesses, and women-owned businesses, as defined by the Secretary of Commerce, respectively, in the geographic area of a project under section 9902 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4652) and serve as a resource for those individuals, businesses, and covered entities.

(d) Staff.—The activities under this section shall be staffed at the appropriate levels to carry out the functions and responsibilities under this section until 95 percent of the amounts of funds made available for the program established under section 9902 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4652) have been expended.

(e) Report.—Beginning on the date that is 1 year after the date on which the Secretary of Commerce establishes the activities described in subsection (c), the Secretary of Commerce shall submit to the appropriate committees of Congress, as defined in section 9901(1) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (15 U.S.C. 4651), and make publicly available on the website of the Department of Commerce an annual report regarding the actions taken by the Department of Commerce under this section.”

## **APPENDIX II: DEFINITIONS FOUND IN FOLLOWING NOTICES OF FUNDING OPPORTUNITY: CHIPS INCENTIVES PROGRAM – COMMERCIAL FABRICATION FACILITIES & CHIPS INCENTIVES PROGRAM – FACILITIES FOR SEMICONDUCTOR MATERIALS AND MANUFACTURING EQUIPMENT**

economically disadvantaged individuals – individuals whose ability or opportunity to compete in the economy has been impaired due to an individual’s (1) membership in a group that has been subjected to racial or ethnic prejudice or cultural bias within American society; (2) gender; (3) veteran status; (4) limited English proficiency; (5) disability status; (6) long-term residence in an environment isolated from the mainstream of American society; (7) membership in a Federally or state-recognized Indian Tribe; (8) long-term residence in a rural community; (9) residence in a U.S. territory; (10) residence in a community undergoing economic transitions (including communities impacted by the shift toward a net-zero economy or deindustrialization); (11) individuals without a college degree; or (12) membership in another “underserved community,” as defined in Executive Order 13985.

minority-owned business – a business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more minority individuals; and not less than 51 percent of the net profit or loss of which accrues to one or more minority individuals.

veteran-owned business – a business where not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans and the management and daily business operations of which are controlled by one or more veterans.

women-owned business – a business where not less than 51 percent of the ownership or control of which is held, directly or indirectly, by one or more women; and not less than 51 percent of the net profit or loss of which accrues to one or more women.

cluster – a geographically compact area with multiple commercial-scale fabs owned and operated by one or more companies; a large, diverse, and skilled workforce; nearby suppliers to the semiconductor industry; R&D facilities; utilities; and specialized infrastructure, such as chemical processing and water treatment facilities.” Department of Commerce, “[Vision for Success: Commercial Fabrication Facilities](#),” February 28, 2023.