

AMENDMENT TO RULES COMMITTEE PRINT 116-

57

OFFERED BY MS. MATSUI OF CALIFORNIA

Page 163, after line 8, insert the following new sub-
sections:

1 (d) **ADVANCED MANUFACTURING INCENTIVES.**—

2 (1) **IN GENERAL.**—The Secretary of Defense
3 shall, in consultation with the Secretary of Com-
4 merce, the Secretary of Homeland Security, and the
5 Director of National Intelligence, work with the pri-
6 vate sector through a public-private partnership, in-
7 cluding by incentivizing the formation of a consor-
8 tium of United States companies, to ensure the de-
9 velopment and production of advanced, measurably
10 secure microelectronics. Such work may include pro-
11 viding incentives for the creation, expansion, or mod-
12 ernization of one or more commercially competitive
13 and sustainable semiconductors manufacturing or
14 advanced research and development facilities.

15 (2) **RISK MITIGATION REQUIREMENTS.**—A par-
16 ticipant in a consortium formed with incentives
17 under paragraph (1) shall—

1 (A) have the potential to perform fabrica-
2 tion, assembly, package, or test functions for
3 semiconductors deemed critical to national secu-
4 rity as defined by export control regulatory
5 agencies in consultation with the National Secu-
6 rity Adviser and the Secretary of Defense;

7 (B) demonstrate management processes to
8 identify and mitigate supply chain security
9 risks; and

10 (C) be able to produce semiconductors con-
11 sistent with applicable measurably secure sup-
12 ply chain and operational security standards es-
13 tablished under section 224(b) of the National
14 Defense Authorization Act for Fiscal Year 2020
15 (Public Law 116–92).

16 (3) NATIONAL SECURITY CONSIDERATIONS.—
17 The Secretary of Defense and the Director of Na-
18 tional Intelligence shall select participants for the
19 consortium formed with incentives under paragraph
20 (1). In selecting such participants, the Secretary and
21 the Director may jointly consider whether the
22 United States companies—

23 (A) have participated in previous programs
24 and projects of the Department of Defense, De-

1 partment of Energy, or the intelligence commu-
2 nity, including—

3 (i) the Trusted Integrated Circuit pro-
4 gram of the Intelligence Advanced Re-
5 search Projects Activity;

6 (ii) trusted and assured semiconduc-
7 tors projects, as administered by the De-
8 partment of Defense;

9 (iii) the Electronics Resurgence Initia-
10 tive (ERI) program of the Defense Ad-
11 vanced Research Projects Agency; or

12 (iv) relevant semiconductor research
13 programs of Advanced Research Projects
14 Agency–Energy;

15 (B) have demonstrated an ongoing com-
16 mitment to performing contracts for the De-
17 partment of Defense and the intelligence com-
18 munity;

19 (C) are approved by the Defense Counter-
20 intelligence and Security Agency or the Office
21 of the Director of National Intelligence as pre-
22 senting an acceptable security risk, taking into
23 account supply chain assurance vulnerabilities,
24 counterintelligence risks, and any risks pre-

1 sented by companies whose owners are located
2 outside the United States; and

3 (D) are evaluated periodically for foreign
4 ownership, control, or influence by foreign enti-
5 ties of concern.

6 (4) NONTRADITIONAL DEFENSE CONTRACTORS
7 AND COMMERCIAL ENTITIES.—Arrangements en-
8 tered into to carry out paragraph (1) shall be in
9 such form as the Secretary of Defense determines
10 appropriate to encourage industry participation of
11 nontraditional defense contractors or commercial en-
12 tities and may include a contract, a grant, a cooper-
13 ative agreement, a commercial agreement, the use of
14 other transaction authority under section 2371 of
15 title 10, United States Code, or another such ar-
16 rangement.

17 (5) DISCHARGE.—The Secretary of Defense
18 shall carry out paragraph (1) jointly through the Of-
19 fice of the Under Secretary of Defense for Research
20 and Engineering and the Office of the Under Sec-
21 retary of Defense for Acquisition and Sustainment,
22 or such other component of the Department of De-
23 fense as the Secretary considers appropriate.

24 (6) OTHER INITIATIVES.—The Secretary of De-
25 fense shall dedicate initiatives within the Depart-

1 ment of Defense to advance radio frequency, mixed
2 signal, radiation tolerant, and radiation hardened
3 semiconductors that support national security and
4 dual-use applications.

5 (7) REPORTS.—

6 (A) REPORT BY SECRETARY OF DE-
7 FENSE.—Not later than 90 days after the date
8 of the enactment of this Act, the Secretary of
9 Defense shall submit to Congress a report on
10 the plans of the Secretary to carry out para-
11 graph (1).

12 (B) BIENNIAL REPORTS BY COMPTROLLER
13 GENERAL OF THE UNITED STATES.—Not later
14 than 1 year after the date on which the Sec-
15 retary submits the report required by subpara-
16 graph (A) and not less frequently than once
17 every 2 years thereafter for a period of 10
18 years, the Comptroller General of the United
19 States shall submit to Congress a report on the
20 activities carried out under this subsection.

21 (e) REPORT UNDER THE DEFENSE PRODUCTION
22 ACT OF 1950.—

23 (1) IN GENERAL.—Not later than 120 days
24 after the date of the enactment of this Act, the
25 President shall submit to Congress a report on a

1 plan for any use of authorities available in title III
2 of the Defense Production Act of 1950 (50 U.S.C.
3 4531 et seq.) to establish or enhance a domestic pro-
4 duction capability for microelectronic technologies
5 and related technologies, subject to—

6 (A) the availability of appropriations for
7 that purpose; and

8 (B) a determination made under the plan
9 pursuant to such title III that such technologies
10 are essential to the national defense.

11 (2) CONSULTATION.—The President shall de-
12 velop the plan required by paragraph (1) in con-
13 sultation with any relevant head of a Federal agen-
14 cy, any advisory committee established under section
15 708(a) of the Defense Production Act of 1950 (50
16 U.S.C. 4558), and appropriate stakeholders in the
17 private sector.

Add at the end of title XVII the following new sub-
title:

18 **Subtitle F—Semiconductor**
19 **Manufacturing Incentives**

20 **SEC. 17__ . SEMICONDUCTOR INCENTIVE GRANTS.**

21 (a) DEFINITIONS.—In this section—

22 (1) the term “appropriate committees of Con-
23 gress” means—

1 (A) the Select Committee on Intelligence,
2 the Committee on Commerce, Science, and
3 Transportation, the Committee on Foreign Re-
4 lations, the Committee on Armed Services, the
5 Committee on Appropriations, the Committee
6 on Banking, Housing, and Urban Affairs, and
7 the Committee on Homeland Security and Gov-
8 ernmental Affairs of the Senate; and

9 (B) the Permanent Select Committee on
10 Intelligence, the Committee on Energy and
11 Commerce, the Committee on Foreign Affairs,
12 the Committee on Armed Services, the Com-
13 mittee on Science, Space, and Technology, the
14 Committee on Appropriations, the Committee
15 on Financial Services, and the Committee on
16 Homeland Security of the House of Representa-
17 tives;

18 (2) the term “covered entity” means a private
19 entity, a consortium of private entities, or a consor-
20 tium of public and private entities with a dem-
21 onstrated ability to construct, expand, or modernize
22 a facility relating to the fabrication, assembly, test-
23 ing, advanced packaging, or advanced research and
24 development of semiconductors;

1 (3) the term “covered incentive” means an in-
2 centive offered by a governmental entity to a covered
3 entity for the purposes of constructing within the ju-
4 risdiction of the governmental entity, or expanding
5 or modernizing an existing facility within that juris-
6 diction, a facility described in paragraph (2).

7 (4) the term “governmental entity” means a
8 State or local government;

9 (5) the term “Secretary” means the Secretary
10 of Commerce; and

11 (6) the term “semiconductor” has the meaning
12 given the term by the Secretary.

13 (b) GRANT PROGRAM.—

14 (1) IN GENERAL.—The Secretary shall establish
15 in the Department of Commerce a program that, in
16 accordance with the requirements of this section,
17 provides grants to covered entities to incentivize in-
18 vestment of semiconductor fabrication facilities, or
19 assembly, testing, advanced packaging, or advanced
20 research and development of semiconductors in the
21 United States.

22 (2) PROCEDURE.—

23 (A) IN GENERAL.—A covered entity shall
24 submit to the Secretary an application that de-

1 scribes the project for which the covered entity
2 is seeking a grant under this section.

3 (B) ELIGIBILITY.—In order for a covered
4 entity to qualify for a grant under this section,
5 the covered entity shall demonstrate to the Sec-
6 retary, in the application submitted by the cov-
7 ered entity under subparagraph (A), that—

8 (i) the covered entity has a docu-
9 mented interest in constructing, expanding,
10 or modernizing a facility described in sub-
11 section (a)(2); and

12 (ii) with respect to the project de-
13 scribed in clause (i), the covered entity
14 has—

15 (I) been offered a covered incen-
16 tive;

17 (II) made commitments to work-
18 er and community investment, includ-
19 ing through—

20 (aa) training and education
21 benefits paid by the covered enti-
22 ty; and

23 (bb) programs to expand
24 employment opportunity for eco-

1 nominically disadvantaged individ-
2 uals; and

3 (III) secured commitments from
4 regional educational and training enti-
5 ties and institutions of higher edu-
6 cation to provide workforce training,
7 including programming for training
8 and job placement of economically dis-
9 advantaged individuals.

10 (C) CONSIDERATIONS FOR REVIEW.—With
11 respect to the review by the Secretary of an ap-
12 plication submitted by a covered entity under
13 subparagraph (A)—

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

16 (I) confirms that the covered en-
17 tity has satisfied the eligibility criteria
18 under subparagraph (B);

19 (II) determines that the project
20 to which the application relates is in
21 the interest of the United States; and

22 (III) has notified the appropriate
23 committees of congress 15 days before
24 making any commitment to provide a

1 grant to any covered entity that ex-
2 ceeds \$10,000,000; and

3 (ii) the Secretary may consider wheth-
4 er—

5 (I) the covered entity has pre-
6 viously received a grant made under
7 this subsection; and

8 (II) the governmental entity of-
9 fering the applicable covered incentive
10 has benefitted from a grant previously
11 made under this subsection.

12 (III) to the extent practicable,
13 the covered entity is considered a
14 small business concern, as defined
15 under section 3 of the Small Business
16 Act (15 U.S.C. 632), notwithstanding
17 section 121.103 of title 13, Code of
18 Federal Regulations.

19 (3) AMOUNT.—The Secretary shall not award
20 more than \$3,000,000,000 to a covered entity under
21 this subsection.

22 (4) USE OF FUNDS.—A covered entity that re-
23 ceives a grant under this subsection may only use
24 the grant amounts to—

1 (A) finance the construction, expansion, or
2 modernization of a facility described in sub-
3 section (a)(2), as documented in the application
4 submitted by the covered entity under para-
5 graph (2)(A), or for similar uses in state of
6 practice and legacy facilities, as determined
7 necessary by the Secretary for purposes relating
8 to the national security and economic competi-
9 tiveness of the United States;

10 (B) support workforce development for the
11 facility described in subparagraph (A); or

12 (C) support site development for the facil-
13 ity described in subparagraph (A).

14 (5) CLAWBACK.—

15 (A) The Secretary shall recover the full
16 amount with interest of a grant provided to a
17 covered entity under this subsection if—

18 (i) as of the date that is 5 years after
19 the date on which the Secretary makes the
20 grant, the project to which the grant re-
21 lates has not been completed, except that
22 the Secretary may issue a waiver with re-
23 spect to the requirement under this sub-
24 paragraph if the Secretary determines that

1 issuing such a waiver is appropriate and in
2 the interests of the United States; or

3 (ii) during the applicable term with
4 respect to the grant, the covered entity en-
5 gages in any joint research or technology
6 licensing effort—

7 (I) with the Government of the
8 People’s Republic of China, the Gov-
9 ernment of the Russian Federation,
10 the Government of Iran, the Govern-
11 ment of North Korea, or other foreign
12 entity of concern; and

13 (II) that relates to a sensitive
14 technology or product, as determined
15 by the Secretary; and

16 (B) the Secretary shall recover up to the
17 full amount with interest of a grant provided to
18 a covered entity if the Secretary determines
19 that commitments required under paragraph
20 (2) have not been fully implemented, except
21 that the Secretary may issue a waiver with re-
22 spect to the requirement under this subpara-
23 graph if the Secretary determines that issuing
24 such a waiver is appropriate and in the inter-
25 ests of the United States.

1 (c) CONSULTATION AND COORDINATION RE-
2 QUIRED.—In carrying out the program established under
3 subsection (b), the Secretary shall consult and coordinate
4 with the Secretary of State and the Secretary of Defense.

5 (d) INSPECTOR GENERAL REVIEWS.—The Inspector
6 General of the Department of Commerce shall—

7 (1) not later than 2 years after the date of en-
8 actment of this Act, and biennially thereafter until
9 the date that is 10 years after that date of enact-
10 ment, conduct a review of the program established
11 under subsection (b), which shall include, at a min-
12 imum—

13 (A) a determination of the number of in-
14 stances in which grants were provided under
15 that subsection during the period covered by
16 the review in violation of a requirement of this
17 section;

18 (B) an evaluation of how—

19 (i) the program is being carried out,
20 including how recipients of grants are
21 being selected under the program; and

22 (ii) other Federal programs are lever-
23 aged for manufacturing, research, and
24 training to complement the grants awarded
25 under the program; and

1 (C) a description of the outcomes of
2 projects supported by grants made under the
3 program, including a description of—

4 (i) facilities described in subsection
5 (a)(2) that were constructed, expanded, or
6 modernized as a result of grants made
7 under the program;

8 (ii) research and development carried
9 out with grants made under the program;
10 and

11 (iii) workforce training programs car-
12 ried out with grants made under the pro-
13 gram, including efforts to hire individuals
14 from disadvantaged populations; and

15 (2) submit to the appropriate committees of
16 Congress the results of each review conducted under
17 paragraph (1).

18 **SEC. 17__ . DEPARTMENT OF COMMERCE STUDY ON STATUS**
19 **OF SEMICONDUCTORS TECHNOLOGIES IN**
20 **THE UNITED STATES INDUSTRIAL BASE.**

21 (a) IN GENERAL.—Commencing not later than 120
22 days after the date of the enactment of this Act, the Sec-
23 retary of Commerce and the Secretary of Homeland Secu-
24 rity, in consultation with the Secretary of Defense and the
25 heads of other appropriate Federal departments and agen-

1 cies, shall undertake a review, which shall include a sur-
2 vey, using authorities in section 705 of the Defense Pro-
3 duction Act (50 U.S.C. 4555), to assess the capabilities
4 of the United States industrial base to support the na-
5 tional defense in light of the global nature of the supply
6 chain and significant interdependencies between the
7 United States industrial base and the industrial base of
8 foreign countries with respect to the manufacture, design,
9 and end use of semiconductors.

10 (b) RESPONSE TO SURVEY.—The Secretary shall en-
11 sure compliance with the survey from among all relevant
12 potential respondents, including the following:

13 (1) Corporations, partnerships, associations, or
14 any other organized groups domiciled and with sub-
15 stantial operations in the United States.

16 (2) Corporations, partnerships, associations, or
17 any other organized groups domiciled in the United
18 States with operations outside the United States.

19 (3) Foreign domiciled corporations, partner-
20 ships, associations, or any other organized groups
21 with substantial operations or business presence in,
22 or substantial revenues derived from, the United
23 States.

24 (c) INFORMATION REQUESTED.—The information
25 sought from a responding entity pursuant to the survey

1 required by subsection (a) shall include, at minimum, in-
2 formation on the following with respect to the manufac-
3 ture, design, or end use of semiconductors by such entity:

4 (1) An identification of the geographic scope of
5 operations.

6 (2) Information on relevant cost structures.

7 (3) An identification of types of semiconductors
8 development, manufacture, assembly, test, and pack-
9 aging equipment in operation at such entity.

10 (4) An identification of all relevant intellectual
11 property, raw materials, and semi-finished goods and
12 components sourced domestically and abroad by
13 such entity.

14 (5) Specifications of the semiconductors manu-
15 factured or designed by such entity, descriptions of
16 the end-uses of such semiconductors, and a descrip-
17 tion of any technical support provided to end-users
18 of such semiconductors by such entity.

19 (6) Information on domestic and export market
20 sales by such entity.

21 (7) Information on the financial performance,
22 including income and expenditures, of such entity.

23 (8) A list of all foreign and domestic subsidies,
24 and any other financial incentives, received by such
25 entity in each market in which such entity operates.

1 (9) A list of regulatory or other informational
2 requests about the entities' operations, sales, or
3 other proprietary information by the Government of
4 the People's Republic of China, entities under its di-
5 rection or officials of the CCP, a description of the
6 nature of the request, and the type of information
7 provided.

8 (10) Information on any joint ventures, tech-
9 nology licensing agreements, and cooperative re-
10 search or production arrangements of such entity.

11 (11) A description of efforts by such entity to
12 evaluate and control supply chain risks it faces.

13 (12) A list and description of any sales, licens-
14 ing agreements, or partnerships between such entity
15 and the People's Liberation Army or People's Armed
16 Police, including any business relationships with en-
17 tities through which such sales, licensing agree-
18 ments, or partnerships may occur.

19 (d) REPORT.—

20 (1) IN GENERAL.—The Secretary of Commerce
21 shall, in consultation with the Secretary of Defense,
22 the Secretary of Homeland Security, and the heads
23 of other appropriate Federal departments and agen-
24 cies, submit to Congress a report on the results of

1 the review required by subsection (a). The report
2 shall include the following:

3 (A) An assessment of the results of the
4 survey.

5 (B) A list of critical technology areas im-
6 pacted by potential disruptions in production of
7 semiconductors, and a detailed description and
8 assessment of the impact of such potential dis-
9 ruptions on such areas.

10 (C) A description and assessment of gaps
11 and vulnerabilities in the semiconductors supply
12 chain and the national industrial supply base.

13 (2) FORM.—The report required by paragraph
14 (1) may be submitted appropriate committees of
15 Congress in classified form.

16 **SEC. 17_. FUNDING FOR DEVELOPMENT AND ADOPTION**
17 **OF SECURE SEMICONDUCTOR AND SECURE**
18 **SEMICONDUCTOR SUPPLY CHAINS.**

19 (a) **MULTILATERAL SEMICONDUCTOR SECURITY**
20 **FUND.—**

21 (1) **ESTABLISHMENT OF FUND.—**There is es-
22 tablished in the Treasury of the United States a
23 trust fund, to be known as the “Multilateral Semi-
24 conductor Security Fund” (in this section referred

1 to as the “Fund”), consisting of any appropriated
2 funds credited to the Fund.

3 (2) PURPOSE.—The purpose of the Fund shall
4 be to work with and support a variety of stake-
5 holders, including governments, businesses, aca-
6 demia, and civil society, and allies or partner nations
7 who are members of the Fund and are critical to the
8 global semiconductor supply chain in order to build
9 safe and secure semiconductor supply chains outside
10 of and devoid of entities from countries subject to a
11 United States embargo. Considerations for building
12 safe and secure semiconductor supply chains include,
13 but are not limited to—

14 (A) relevant semiconductor designs;

15 (B) chemicals and materials relevant to the
16 semiconductor industry;

17 (C) semiconductor design tools;

18 (D) semiconductor manufacturing equip-
19 ment; and

20 (E) basic and applied semiconductor re-
21 search capability.

22 (3) RESTRICTION OF USE OF FUNDS.—

23 (A) AVAILABILITY CONTINGENT ON INTER-
24 NATIONAL AGREEMENT.—Amounts in the Fund
25 shall be available to the Secretary of State, sub-

1 ject to appropriation, on and after the date on
2 which the Secretary enters into an agreement
3 with at least 5 other governments of countries
4 that are allies or partners of the United States
5 that are critical to the global semiconductor
6 supply chain to participate in the common fund-
7 ing mechanism under subsection (b)(1) and the
8 commitments described in paragraph (2) of that
9 subsection.

10 (B) LIMITATION.—At no point during fis-
11 cal years 2021 through 2030 shall a United
12 States contribution cause the cumulative total
13 of United States contributions to exceed 33 per-
14 cent of the total contributions to the Fund from
15 all sources.

16 (C) NOTIFICATION.—The Secretary of
17 State shall notify the appropriate congressional
18 committees not later than 15 days in advance
19 of making a contribution to the Fund, includ-
20 ing—

- 21 (i) the amount of the proposed con-
22 tribution;
- 23 (ii) the total of funds contributed by
24 other donors; and

1 (iii) the national interests served by
2 United States participation in the Fund.

3 (D) WITHHOLDINGS.—

4 (i) SUPPORT FOR ACTS OF INTER-
5 NATIONAL TERRORISM.—If at any time the
6 Secretary of State determines that the
7 Fund has provided assistance to a country,
8 the government of which the Secretary of
9 State has determined, for purposes of sec-
10 tion 620A of the Foreign Assistance Act of
11 1961 (22 U.S.C. 2371) has repeatedly pro-
12 vided support for acts of international ter-
13 rorism, the United States shall imme-
14 diately withhold contributions to the Fund
15 and cease participating in Fund activities.

16 (ii) SUPPORT FOR EMBARGOED COUN-
17 TRIES.—If at any time the Secretary of
18 State determines that the Fund, or any in-
19 vestments made by the fund, has sup-
20 ported the semiconductor supply chain of
21 or an entity with a substantial nexus to the
22 semiconductor supply chain of a country
23 under a United State embargo, the United
24 States shall immediately withhold contribu-
25 tions and no longer make any contribu-

1 tions until it certifies that non-market
2 economies do not stand to benefit from in-
3 vestments made from the Fund.

4 (iii) EXCESSIVE SALARIES.—If at any
5 time during any of the fiscal years 2021
6 through 2025, the Secretary of State de-
7 termines that the salary of any individual
8 employed by the Fund exceeds the salary
9 of the Vice President of the United States
10 for that fiscal year, then the United States
11 should withhold from its contribution for
12 the next fiscal year an amount equal to the
13 aggregate amount by which the salary of
14 each such individual exceeds the salary of
15 the Vice President of the United States.

16 (4) ENSURING PERMANENT MEMBER STATUS.—
17 If at any time the Secretary of State certifies that
18 the United States does not have a permanent rep-
19 resentative to the Board of Trustees as established
20 in paragraph (6), the Secretary shall withhold con-
21 tributions to the Fund until the Secretary certifies
22 that the United States is given a permanent seat.

23 (5) COMPOSITION.—

24 (A) IN GENERAL.—The Fund should be
25 governed by a Board of Trustees, to be com-

1 posed of representatives of participating allies
2 and partners that are donors or participants in
3 the Fund. The Board of Trustees should in-
4 clude—

5 (i) 5 permanent member countries,
6 who qualify based upon meeting an estab-
7 lished initial contribution threshold, whose
8 contributions should cumulatively be not
9 less than 50 percent of total contributions,
10 and who should hold veto power over pro-
11 grams and projects; and

12 (ii) 5 term members, as appropriate,
13 who are selected by the permanent mem-
14 bers on the basis of their commitment to
15 building a free secure semiconductor sup-
16 ply chain.

17 (B) QUALIFICATIONS.—Individuals ap-
18 pointed to the Board shall have demonstrated
19 knowledge and experience in the fields of semi-
20 conductors, semiconductor manufacturing, and
21 supply chain management.

22 (C) UNITED STATES REPRESENTATION.—

23 (i) IN GENERAL.—

24 (I) FOUNDING PERMANENT MEM-
25 BER.—The Secretary of State shall

1 seek to establish the United States as
2 a founding permanent member of the
3 Fund.

4 (II) COORDINATOR OF UNITED
5 STATES GOVERNMENT ACTIVITIES TO
6 ADVANCE SEMICONDUCTOR SUPPLY
7 CHAIN SECURITY.—The Secretary of
8 State shall appoint an individual
9 qualified as according to subpara-
10 graph (B) of this subsection to rep-
11 resent the United States on the Board
12 of Trustees.

13 (ii) EFFECTIVE AND TERMINATION
14 DATES.—

15 (I) EFFECTIVE DATE.—This
16 paragraph shall take effect upon the
17 date the Secretary of State, in coordi-
18 nation with the Secretary of the
19 Treasury, certifies and transmits to
20 Congress an agreement establishing
21 the Fund.

22 (II) TERMINATION DATE.—The
23 membership established pursuant to
24 clause (i) shall terminate upon the
25 date of termination of the Fund.

1 (D) REMOVAL PROCEDURES.—The Fund
2 shall establish procedures for the removal of
3 member donors of the Board who do not abide
4 by the Fund’s core objectives as defined in
5 paragraph (4) of this section.

6 (6) AVAILABILITY OF AMOUNTS.—

7 (A) IN GENERAL.—Amounts in the Fund
8 shall remain available through the end of the
9 10th fiscal year beginning after the date of the
10 enactment of this Act.

11 (B) REMAINDER TO TREASURY.—Any
12 amounts remaining in the Fund after the end
13 of the fiscal year described in subparagraph (A)
14 shall be deposited in the general fund of the
15 Treasury.

16 (b) COMMON FUNDING MECHANISM FOR DEVELOP-
17 MENT AND ADOPTION OF SECURE SEMICONDUCTOR AND
18 SECURE SEMICONDUCTOR SUPPLY CHAINS.—

19 (1) IN GENERAL.—The Secretary of State, in
20 consultation with the Secretary of Commerce, Sec-
21 retary of Energy, the Secretary of Defense, the Sec-
22 retary of Homeland Security, the Secretary of the
23 Treasury, and the Director of National Intelligence,
24 shall seek to establish a common funding mecha-
25 nism, in coordination with the governments of coun-

1 tries that are Members of the Fund, that uses
2 amounts from the Fund, and amounts committed by
3 such governments, to support those efforts described
4 in subsection (a).

5 (2) MUTUAL COMMITMENTS.—The Secretary of
6 State, in consultation with the United States Trade
7 Representative, the Secretary of Treasury, and the
8 Secretary of Commerce, shall seek to negotiate a set
9 of mutual commitments with the governments of
10 countries that are Members of the Fund upon which
11 to condition any expenditure of funds pursuant to
12 the common funding mechanism described in para-
13 graph (1). Such commitments shall, at a min-
14 imum—

15 (A) develop common policies for the protec-
16 tion of basic and applied research in both aca-
17 demic and commercial settings;

18 (B) develop common reporting require-
19 ments for researchers participating in talents
20 programs of countries subject to a United
21 States arms embargo;

22 (C) establish substantially similar if not
23 identical export controls licensing requirements
24 for all segments of the semiconductor supply
25 chain;

1 (D) establish substantially similar if not
2 identical policies for inbound investment from
3 entities with a substantial nexus to countries
4 subject to an embargo in all segments of the
5 semiconductor supply chain;

6 (E) establish harmonized treatment of
7 semiconductors and verification processes for
8 the importation of semiconductors or items in-
9 corporating semiconductors from embargoed
10 countries;

11 (F) establish common policies on pro-
12 tecting knowledge, know-how, and personnel
13 from migrating to embargoed countries or tak-
14 ing employment with entities with a substantial
15 nexus to these countries;

16 (G) develop common policies, including dis-
17 closure requirements and restrictions, on out-
18 bound investments, including index funds, into
19 entities that support or contribute to the devel-
20 opment of the semiconductor industry in coun-
21 tries subject to an embargo;

22 (H) establish transparency requirements
23 for any subsidies or other financial benefits (in-
24 cluding revenue foregone) provided to semicon-

1 ductor firms located in or outside such coun-
2 tries;

3 (I) establish consistent policies with re-
4 spect to countries that—

5 (i) are not participating in the com-
6 mon funding mechanism; and

7 (ii) do not meet transparency require-
8 ments established under subparagraph
9 (H);

10 (J) promote harmonized treatment of
11 semiconductor and verification processes for
12 items being exported to a country considered a
13 national security risk by a country participating
14 in the common funding mechanism;

15 (K) establish a consistent policies and com-
16 mon external policies to address nonmarket
17 economies as the behavior of such countries
18 pertains to semiconductor; and

19 (L) align policies on supply chain integrity
20 and semiconductor security.

21 (3) ANNUAL REPORT TO CONGRESS.—Not later
22 than one year after the date of the enactment of this
23 Act, and annually thereafter for each fiscal year dur-
24 ing which amounts in the Fund are available under
25 subsection (a), the Secretary of State shall submit to

1 Congress a report on the status of the implementa-
2 tion of this section that includes a description of—

3 (A) any commitments made by the govern-
4 ments of countries that are partners of the
5 United States to providing funding for the com-
6 mon funding mechanism described in subsection
7 (b)(1) and the specific amount so committed;

8 (B) the criteria established for expenditure
9 of funds through the common funding mecha-
10 nism;

11 (C) how, and to whom, amounts have been
12 expended from the Fund;

13 (D) amounts remaining in the Fund;

14 (E) the progress of the Secretary of State
15 toward entering into an agreement with the
16 governments of countries that are partners of
17 the United States to participate in the common
18 funding mechanism and the commitments de-
19 scribed in subsection (b)(2); and

20 (F) any additional authorities needed to
21 enhance the effectiveness of the Fund in achiev-
22 ing the security goals of the United States.

23 (4) GAO REPORT ON TRUST FUND EFFECTIVE-
24 NESS.—Not later than 2 years after the date that
25 the Fund is formally established, the Comptroller

1 General of the United States shall submit to the ap-
2 propriate congressional committees a report evalu-
3 ating the effectiveness of the Fund, including—

4 (A) the effectiveness of the programs,
5 projects, and activities supported by the Fund;
6 and

7 (B) an assessment of the merits of contin-
8 ued United States participation in the Fund.

9 **SEC. 17_. ADVANCED SEMICONDUCTOR RESEARCH AND**
10 **DESIGN.**

11 (a) APPROPRIATE COMMITTEES OF CONGRESS.—In
12 this section, the term “appropriate committees of Con-
13 gress” means—

14 (1) the Committee on Intelligence, the Com-
15 mittee on Commerce, Science, and Transportation,
16 the Committee on Foreign Relations, the Committee
17 on Armed Services, the Committee on Energy and
18 Natural Resources, the Committee on Appropria-
19 tions, the Committee on Banking, Housing, and
20 Urban Affairs, the Committee on Health, Education,
21 Labor, and Pensions and the Committee on Home-
22 land Security and Governmental Affairs of the Sen-
23 ate; and

24 (2) the Permanent Select Committee on Intel-
25 ligence, the Committee on Energy and Commerce,

1 the Committee on Foreign Affairs, the Committee
2 on Armed Services, the Committee on Science,
3 Space, and Technology, the Committee on Financial
4 Services, the Committee on Education and Labor
5 and the Committee on Homeland Security of the
6 House of Representatives.

7 (b) SENSE OF CONGRESS.—It is the sense of Con-
8 gress that the leadership of the United States in semicon-
9 ductor technology and innovation is critical to the eco-
10 nomic growth and national security of the United States.

11 (c) SUBCOMMITTEE ON SEMICONDUCTOR LEADER-
12 SHIP.—

13 (1) ESTABLISHMENT REQUIRED.—The Presi-
14 dent shall establish in the National Science and
15 Technology Council a subcommittee on matters re-
16 lating to leadership of the United States in semicon-
17 ductor technology and innovation.

18 (2) DUTIES.—The duties of the subcommittee
19 established under paragraph (1) are as follows:

20 (A) NATIONAL STRATEGY ON SEMICON-
21 DUCTOR RESEARCH.—

22 (i) DEVELOPMENT.—In coordination
23 with the Secretary of Defense, the Sec-
24 retary of Energy, the Secretary of State,
25 the Secretary of Commerce, the Secretary

1 of Homeland Security, the Secretary of
2 Labor, the Director of the National
3 Science Foundation, and the Director of
4 the National Institute of Standards and
5 Technology and in consultation with the
6 semiconductor industry and academia, de-
7 velop a national strategy on semiconductor
8 research, development, manufacturing, and
9 supply chain security, including guidance
10 for the funding of research, and strength-
11 ening of the domestic semiconductors
12 workforce.

13 (ii) REPORTING AND UPDATES.—Not
14 less frequently than once every 5 years, to
15 update the strategy developed under clause
16 (i) and to submit the revised strategy to
17 the appropriate committees of Congress.

18 (iii) IMPLEMENTATION.—In coordina-
19 tion with the Secretary of Defense, the
20 Secretary of Energy, the Secretary of
21 State, the Secretary of Commerce, the Sec-
22 retary of Homeland Security, the Director
23 of the National Science Foundation, and
24 the Director of the National Institute of
25 Standards and Technology, on an annual

1 basis coordinate and recommend each
2 agency's semiconductor related research
3 and development programs and budgets to
4 ensure consistency with the National Semi-
5 conductor Strategy.

6 (B) FOSTERING COORDINATION OF RE-
7 SEARCH AND DEVELOPMENT.—To foster the co-
8 ordination of semiconductor research and devel-
9 opment.

10 (3) SUNSET.—The subcommittee established
11 under paragraph (1) shall terminate on the date
12 that is 10 years after the date of enactment of this
13 Act.

14 (d) INDUSTRIAL ADVISORY COMMITTEE.—The Presi-
15 dent shall establish a standing subcommittee of the Presi-
16 dent's Council of Advisors on Science and Technology to
17 advise the United States Government on matters relating
18 to semiconductors policy.

19 (e) NATIONAL SEMICONDUCTOR TECHNOLOGY CEN-
20 TER.—

21 (1) ESTABLISHMENT.—The Secretary of Com-
22 merce shall establish a national semiconductor tech-
23 nology center to conduct research and prototyping of
24 advanced semiconductor technology to strengthen
25 the economic competitiveness and security of the do-

1 mestic supply chain, which will be operated as a
2 public private-sector consortium with participation
3 from the private sector, the Department of Defense,
4 the Department of Energy, the Department of
5 Homeland Security, the National Science Founda-
6 tion, and the National Institute of Standards and
7 Technology.

8 (2) FUNCTIONS.—The functions of the center
9 established under paragraph (1) shall be as follows:

10 (A) To conduct advanced semiconductor
11 manufacturing, design research, and proto-
12 typing that strengthens the entire domestic eco-
13 system and is aligned with the National Strat-
14 egy on Semiconductor Research.

15 (B) To establish a National Advanced
16 Packaging Manufacturing Program led by the
17 National Institute of Standards and Tech-
18 nology, in coordination with the Center, to
19 strengthen semiconductor advanced test, assem-
20 bly, and packaging capability in the domestic
21 ecosystem, and which shall coordinate with the
22 Manufacturing USA institute established under
23 paragraph (4).

24 (C) To establish an investment fund, in
25 partnership with the private sector, to support

1 startups in the domestic semiconductor eco-
2 system.

3 (D) To establish a Semiconductor Manu-
4 facturing Program through the Director of the
5 National Institute of Standards and Technology
6 to enable advances and breakthroughs in meas-
7 urement science, standards, material character-
8 ization, instrumentation, testing, and manufac-
9 turing capabilities that will accelerate the un-
10 derlying research and development for metrol-
11 ogy of next generation semiconductors and en-
12 sure the competitiveness and leadership of the
13 United States within this sector.

14 (E) To work with the Secretary of Labor,
15 the private sector, educational institutions, and
16 workforce training entities to develop workforce
17 training programs and apprenticeships in ad-
18 vanced semiconductor packaging capabilities.

19 (3) COMPONENTS.—The fund established under
20 paragraph (2)(C) shall cover the following:

21 (A) Advanced metrology and characteriza-
22 tion for manufacturing of microchips using 3
23 nanometer transistor processes or more ad-
24 vanced processes.

1 (B) Metrology for security and supply
2 chain verification.

3 (4) CREATION OF A MANUFACTURING USA IN-
4 STITUTE.—The fund established under paragraph
5 (2)(C) may also cover the creation of a Manufac-
6 turing USA institute described in section 34(d) of
7 the National Institute of Standards and Technology
8 Act (15 U.S.C. 278s(d)) that is focused on semicon-
9 ductor manufacturing. Such institute may emphasize
10 the following:

11 (A) Research to support the virtualization
12 and automation of maintenance of semicon-
13 ductor machinery.

14 (B) Development of new advanced test, as-
15 sembly and packaging capabilities.

16 (C) Developing and deploying educational
17 and skills training curricula needed to support
18 the industry sector and ensure the United
19 States can build and maintain a trusted and
20 predictable talent pipeline.

21 (f) AUTHORIZATIONS OF APPROPRIATIONS.—

22 (1) NATIONAL SEMICONDUCTOR TECHNOLOGY
23 CENTER.—

1 (A) IN GENERAL.—There is authorized to
2 be appropriated to carry out subsection (e),
3 \$914,000,000 for fiscal year 2021—

4 (i) of which, \$300,000,000 shall be
5 available to carry out subsection (e)(2)(A);

6 (ii) of which, \$500,000,000 shall be
7 available to carry out subsection (e)(2)(B);

8 (iii) of which, \$50,000,000 shall be
9 available to carry out subsection (e)(2)(C);

10 (iv) of which, \$50,000,000 shall be
11 available to carry out subsection
12 (e)(2)(D)—

13 (I) of which, \$2,000,000 shall be
14 available for each of fiscal year 2021
15 to carry out subsection (e)(3)(A);

16 (II) of which, \$2,000,000 shall be
17 available for fiscal years 2021 to carry
18 out subsection (e)(3)(B); and

19 (III) of which, \$5,000,000 shall
20 be available for fiscal year 2021 to
21 carry out subsection (e)(4); and

22 (v) of which, \$14,000,000 shall be
23 available to carry out subsection (e)(2)(E).

24 (3) SEMICONDUCTOR RESEARCH AT NATIONAL
25 SCIENCE FOUNDATION.—There is authorized to be

1 appropriated to carry out programs at the National
2 Science Foundation on semiconductor research in
3 alignment with the National Strategy on Semicon-
4 ductor Research, \$300,000,000 for fiscal year 2021.

5 (5) SEMICONDUCTORS RESEARCH AT THE NA-
6 TIONAL INSTITUTE OF STANDARDS AND TECH-
7 NOLOGY.—There is authorized to be appropriated to
8 carry out semiconductors research at the National
9 Institute of Standards and Technology \$50,000,000
10 for fiscal year 2021.

11 (g) SUPPLEMENT, NOT SUPPLANT.—The amounts
12 authorized to be appropriated under paragraphs (1)
13 through (4) of subsection (f) shall supplement and not
14 supplant amounts already appropriated to carry out the
15 purposes described in such paragraphs.

16 (h) DOMESTIC PRODUCTION REQUIREMENTS.—The
17 head of any executive agency receiving funding under this
18 section shall develop policies to require domestic produc-
19 tion, to the extent possible, for any intellectual property
20 resulting from semiconductors research and development
21 conducted as a result of these funds and domestic control
22 requirements to protect any such intellectual property
23 from foreign adversaries.

1 **SEC. 17__ . PROHIBITION RELATING TO FOREIGN ENTITIES**
2 **OF CONCERN.**

3 (a) DEFINITION.—

4 (1) In this subtitle, the term “foreign entity”
5 means—

6 (A) any person—

7 (i) controlled by, or is subject to the
8 jurisdiction or direction of a foreign gov-
9 ernment;

10 (ii) who acts as an agent, representa-
11 tive, is an employee of, or acts in any other
12 capacity at the order, request, or under the
13 direction or control, of a foreign govern-
14 ment;

15 (iii) whose activities are directly or in-
16 directly supervised, directed, controlled, fi-
17 nanced, or subsidized in whole or in major-
18 ity part by an interest as described in sub-
19 paragraph (B) of this subsection;

20 (iv) who directly or indirectly through
21 any contract, arrangement, understanding,
22 relationship, or otherwise, owns 25 percent
23 or more of the equity interests of an inter-
24 est as described in subparagraph (B) of
25 this subsection, or has significant responsi-

1 bility to control, manage, or such an inter-
2 est;

3 (v) who is a citizen or resident, wher-
4 ever located, of a nation-state controlled by
5 a foreign government; or

6 (B) Any organization, corporation, part-
7 nership or association—

8 (i) organized under the laws of a na-
9 tion-state controlled by a foreign govern-
10 ment; or

11 (ii) wherever organized or doing busi-
12 ness, that is owned or controlled by a for-
13 eign government.

14 (2) In this subtitle, the term “foreign entity of
15 concern” means any foreign entity (as defined by
16 paragraph (1) of this section)—

17 (A) designated as a foreign terrorist orga-
18 nization by the Secretary of State under section
19 1189 of title 8;

20 (B) included on the list of specially des-
21 ignated nationals and blocked persons main-
22 tained by the Office of Foreign Assets Control
23 of the Department of the Treasury; or

24 (C) alleged by the Attorney General to
25 have been involved in activities for which a con-

1 viction was obtained under any of the following
2 statutes:

3 (i) Espionage Act (18 U.S.C. 792 et
4 seq.).

5 (ii) Section 951 or 1030 of title 18.

6 (iii) Economic Espionage Act (18
7 U.S.C. 1831 et seq.).

8 (iv) Arms Export Control Act (22
9 U.S.C. 2778).

10 (v) Section 2274, 2275, 2276, 2277,
11 2278, or 2284 of title 42.

12 (vi) Export Control Reform Act (50
13 U.S.C. 4801 et seq.); or

14 (vii) International Economic Emer-
15 gency Powers Act (50 U.S.C. 1701 et
16 seq.).

17 (b) LIMITATION.—None of the funds appropriated
18 pursuant to an authorization in this subtitle may be pro-
19 vided to a grantee that is determined to be a foreign entity
20 of concern (as defined by this subtitle).

