

# SECURING STATE & LOCAL INCENTIVES FOR CHIPS ACT APPLICATIONS

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# With You Today



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## **THE HONORABLE IAN STEFF**

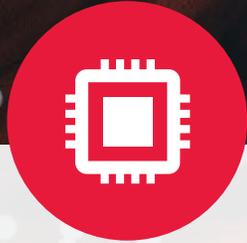
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# Agenda



Introductions



Refresher on  
the CHIPS ACT  
/ Newly  
Released  
Guidance



How to Begin  
the Process of  
Applying for  
the CHIPS for  
America Act



The State and  
Local Process:  
A Prerequisite  
for CHIPS



Other CHIPS  
Act  
Opportunities

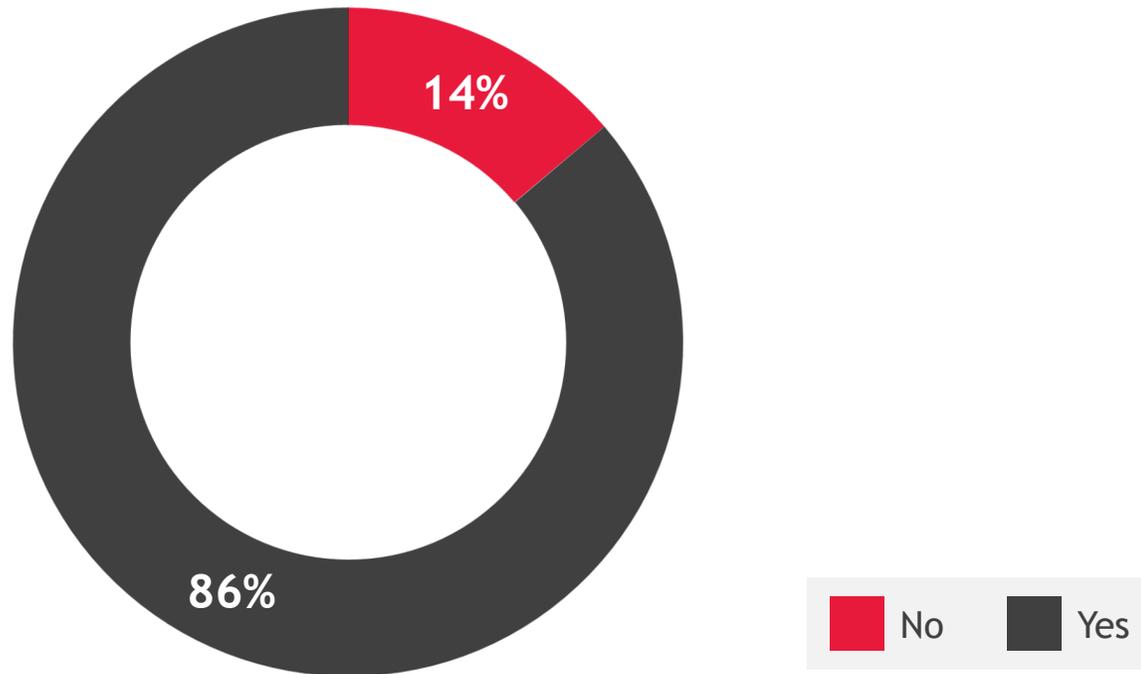


Q&A

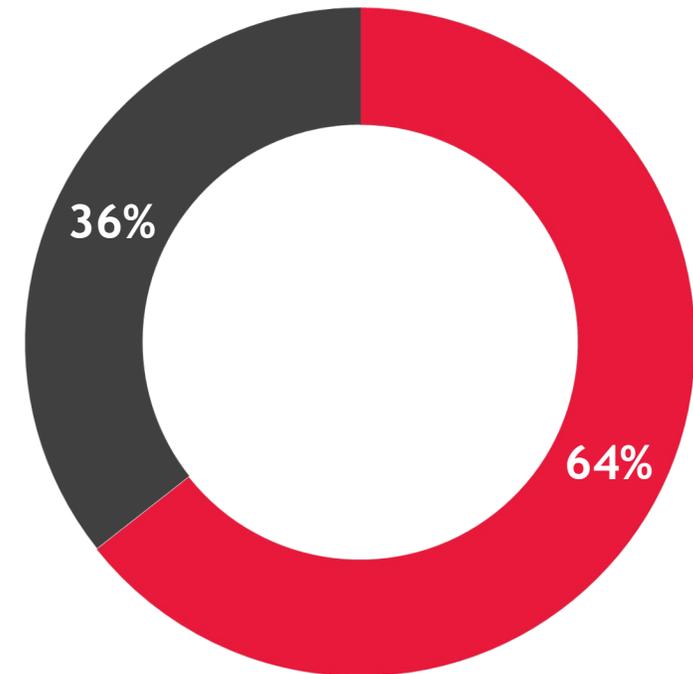
# Refresher: The CHIPS for America Act

SETTING THE STAGE - RESULTS FROM FALL 2022 WEBINAR

WOULD YOU CONSIDER EXPANSION IN THE U.S. IF YOUR COMPANY IS QUALIFIED TO RECEIVE FEDERAL FUNDING?



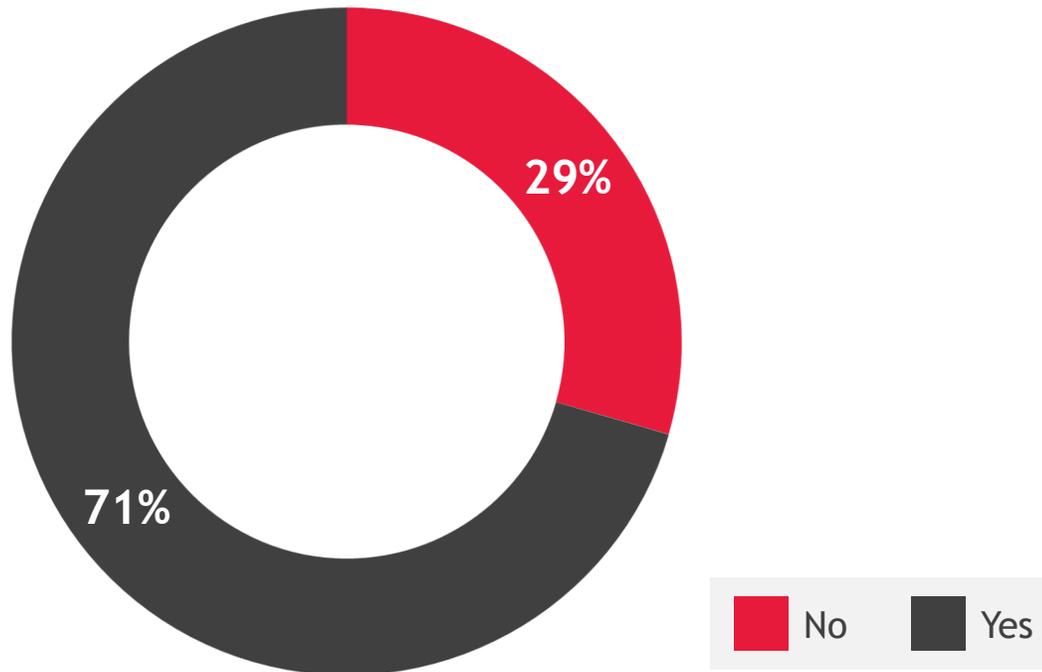
HAS YOUR COMPANY EVER RECEIVED GRANT INCENTIVES FROM THE GOVERNMENT?



# Refresher: The CHIPS for America Act

SETTING THE STAGE - RESULTS FROM FALL 2022 WEBINAR

ARE YOU PLANNING TO TAKE ADVANTAGE OF FEDERAL FUNDING MADE AVAILABLE VIA THE CHIPS ACT AND RELATED PROGRAMS?



- ▶ The large number of companies applying for funding means that the CHIPS for America Act application process will be highly competitive.
- ▶ A competitive application process means the applicants with the most detailed capital access and expansion plans will have the best chances at receiving funding.

# Refresher: The CHIPS for America Act

## Incentives

- ▶ Financial assistance to construct, expand or modernize a facility relating to fabrication, assembly, testing, advanced packaging, production or R&D of semiconductors, materials used to manufacture semiconductors, or semiconductor manufacturing equipment
- ▶ Allows for private firms, public institutions and/or non-profits to apply to the Secretary of Commerce for a federal grant not to exceed \$3 billion per project, without a waiver

▶ **THIS WILL REQUIRE A STATE OR LOCAL INCENTIVE**



- ▶ Applicants must show that they have made commitments to worker and community investment
- ▶ \$28 billion for domestic production of logic and memory chips that require the most sophisticated manufacturing processes
- ▶ Increase domestic production of mature semiconductors used in defense, automobiles, information and communication and healthcare devices
- ▶ \$11 billion in a National Semiconductor Technology Center, a National Advanced Packaging Manufacturing Program, up to three new Manufacturing USA Institutes and a NIST Metrology R&D program

# Refresher: The CHIPS for America Act

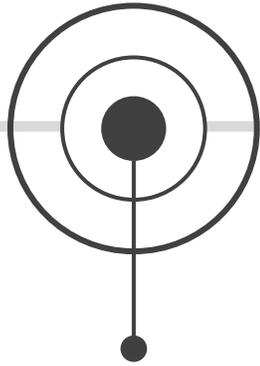
## APPLICATION CRITERIA

- ▶ Increase scale and attract private capital
- ▶ Leverage collaboration between industry stakeholders, investors, customers, designers, suppliers and international firms
- ▶ Secure additional financial incentives and support to build regional and local industry clusters that strengthen communities
  - **APPLICANTS ARE REQUIRED TO SECURE STATE AND LOCAL INCENTIVES TO RECEIVE FUNDING**
- ▶ Establish a secure and resilient semiconductor supply chain

## GUARDRAIL PROVISIONS

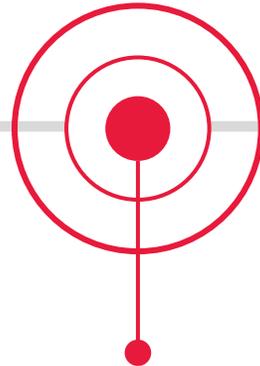
- ▶ Recipients of Federal incentive funds are prohibited from expanding or building new manufacturing capacity for certain advanced semiconductors in countries that present a national security threat to the U.S., including the People's Republic of China or any other foreign country of concern
- ▶ This excludes existing facilities or equipment involving legacy semiconductors

# Newly Released Guidance: The CHIPS for America Act



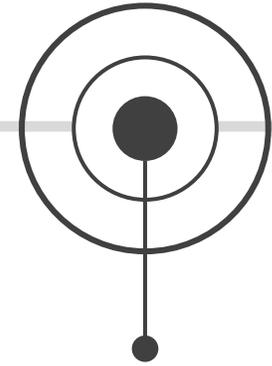
**Late February 2023**

Commercial leading-edge, current, and mature node fabrication facilities, including “front-end” semiconductor manufacturers and “back-end” packaging facilities



**Late Spring 2023**

Material suppliers and equipment manufacturers



**Early Fall 2023**

Semiconductor R&D facilities

# How to Begin the Process of Applying for the CHIPS for America Act



# Application Process

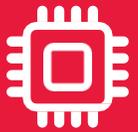
## Required Steps for CHIPS Act Applications:

- ▶ Short Statement of Interest
  - Including name of organization, contact information, estimated date of pre-application, nature of project and potential scope
  - This step is required in advance of applying
- ▶ Unique Entity Identifier (UEI) number
  - The Unique Entity ID is a 12-character alphanumeric ID assigned to an entity by sam.gov
- ▶ “Signing up” means getting an account and setting up a profile on sam.gov
- ▶ “Registering” means registering an entity to do business with the government on sam.gov
  - You must register your entity (you as an individual or your organization) to be able to bid on contracts or apply for federal assistance (e.g., grants, loans) from the federal government

LINKS: [sam.gov](https://sam.gov) & [NIST](https://www.nist.gov)

# Worksheet

Before you begin this worksheet, review the information already available on The CHIPS Act by visiting these resources:



What Semiconductor Organizations Need to Know About the CHIPS for America Act

BDO.com



How Do I Get CHIPS Act funding?

CHIPSAct.com



CHIPS Act Fact Sheet

WhiteHouse.gov



## FILLING OUT THE WORKSHEET

Fill out the worksheet to the best of your ability. Be as specific and comprehensive in your information as possible, including specific figures and/or projections as necessary.

As you fill out the worksheet, keep note of which documents you reference for each answer. You'll want to make sure these documents are ready to hand when it's time to create your application.

# Our Site Selection & Incentives Process



Analysis



Negotiations & Short List



Final Site Selection & Incentives



Compliance

# Location Criteria for Analysis



Workforce/Labor



Real Estate /  
Location



Infrastructure  
& Utilities



Suppliers &  
Customers



Business Climate  
and Costs



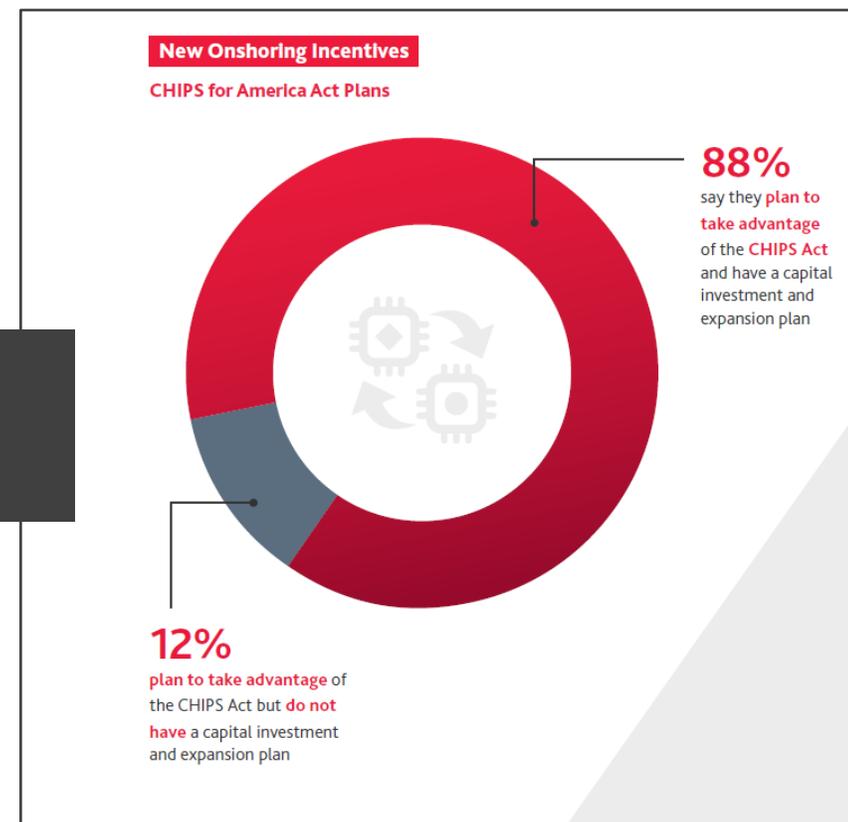
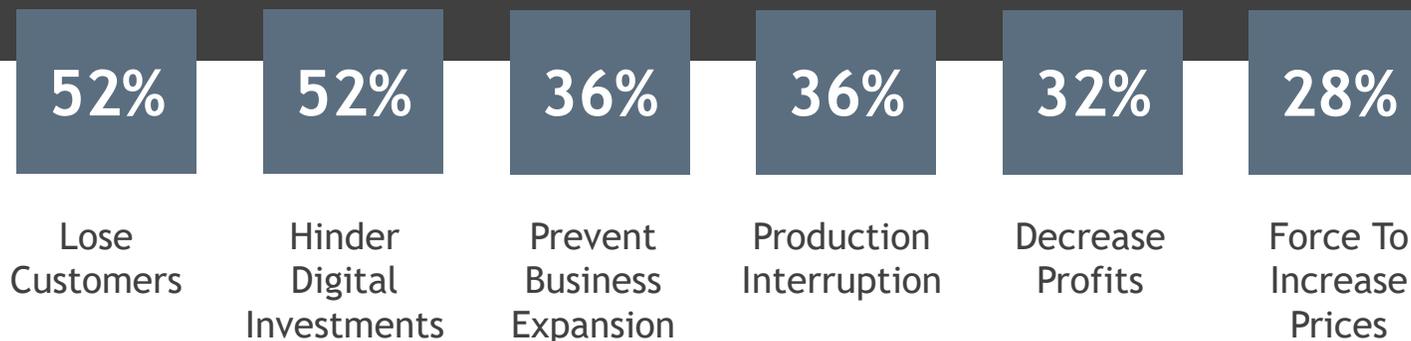
Quality of Life  
Factors

# 2023 BDO Manufacturing CFO Outlook Survey

## WHAT'S NEXT FOR SEMICONDUCTOR ONSHORING

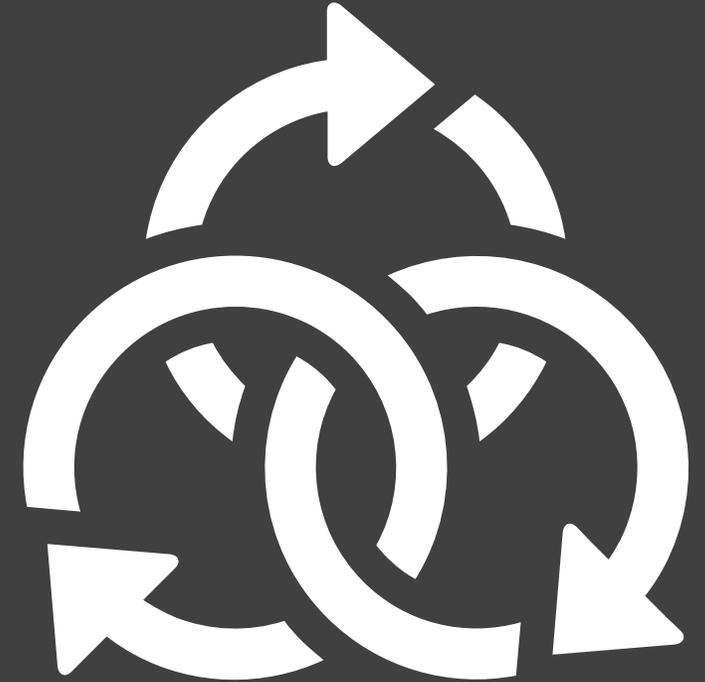
- ▶ 100% of semiconductor manufacturers plan to take advantage of CHIPS for America Act funding
- ▶ 40% will pursue private financing, and 40% plan to enter a joint venture to fund projects

### CHIP SHORTAGE IMPACTS (VIA SEMICONDUCTOR CFOS)



Source: 2023 BDO Manufacturing CFO Outlook Survey

# Other CHIPS Act Opportunities



# Additional Components of a Successful Application



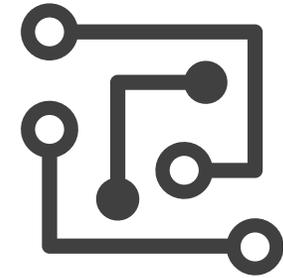
## **STRENGTHEN WORKFORCE**

Growing and diversifying the American workforce



## **SUPPLY CHAIN RESILIENCY**

Demonstrating the ability to partner and grow domestic ecosystem



## **TECHNOLOGICAL COMPETITIVENESS**

Demonstrating technological merit to catalyze further investment

# Core Workforce Considerations

## DEMONSTRATED GOOD JOBS PRINCIPLES

The Departments of Commerce and Labor have identified DEIA, Empowerment and Representation, Skills and Career Advancement some of the essential principles for successful applications.

## SEMI WORKFORCE INITIATIVES

University Connections, High Tech U, VetWorks, DEI Women-Centered Programs, Certifications, Mentoring, Roadmap & Toolkit for Diverse, Equitable and Inclusive Workforces, and more.



# R&D Programs Overview

## NATIONAL SEMICONDUCTOR TECHNOLOGY CENTER

- ▶ To conduct R&D of advanced semiconductor technology and grow workforce to strengthen the economic competitiveness and security.
- ▶ To establish a PPP structure for workforce training programs and an investment fund to support startups and collaboration with academia, companies, and new ventures to commercializing innovations that contribute to the domestic ecosystem.

## MANUFACTURING USA INSTITUTE

- ▶ To pursue research for semiconductor machinery; the development of test, assembly and packaging capabilities; and the development of educational and skills training curricula to support the growth and maintenance of a trusted and predictable talent pipeline.
- ▶ There will be up to three Manufacturing USA Institutes.

## NATIONAL ADVANCED PACKAGING MANUFACTURING PROGRAM

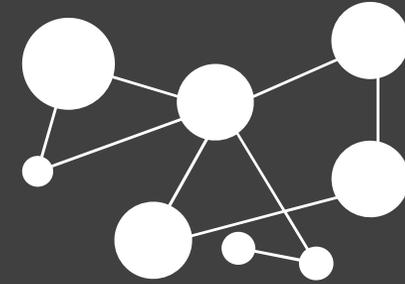
- ▶ Led by NIST, in coordination with the National Semiconductor Technology Center, to strengthen semiconductor advanced test, assembly, and packaging capability in the domestic ecosystem in coordination with a Manufacturing USA institute.

# R&D Programs Overview

## MICROELECTRONICS COMMONS

A Department of Defense (DoD) effort aimed at building a national network for onshore, microelectronics hardware prototyping, lab-to-fab transition of semiconductor technologies and semiconductor workforce training. The ME Commons effort will establish regional innovation hubs collaborating with Cores, establishing a network with robust infrastructure and partnerships to address critical DoD technology needs as well serve as an asset for other USG and U.S. commercial microelectronics prototyping needs.

In coordination with other efforts such as the National Semiconductor Technology Center, it will address and support infrastructure required for microelectronics prototyping across up to six DoD-critical technology areas serving national economic and security objectives.

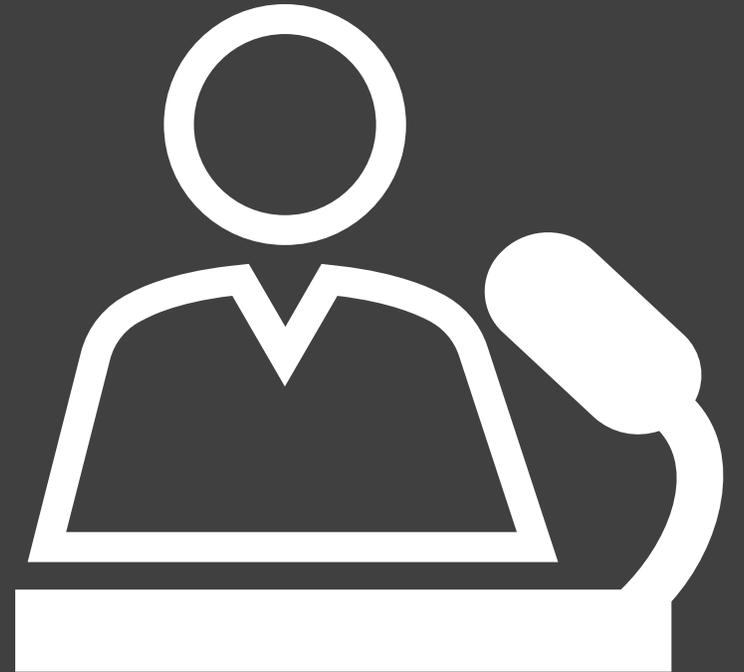


- ▶ Secure Edge/Lot Computing
- ▶ 5G/6G Technology
- ▶ Artificial Intelligence Hardware
- ▶ Quantum Technology
- ▶ Electronic Warfare
- ▶ Commercial Leap Ahead Technologies

Thank You



## APPENDIX A: Speaker Bios





## TOM STRINGER

National Leader of Site  
Selection & Business Incentives  
BDO USA, LLP

[tstringer@bdo.com](mailto:tstringer@bdo.com)

Tom Stringer leads BDO's national [Site Selection & Business Incentives](#) practice with 20 years of industry experience. Tom provides site selection and business incentives services to a range of clients, including leading Fortune 500 companies and global organizations.

Tom has helped major defense contractors, professional sports leagues, OEM automotive firms, and various food industry clients secure more than \$2.2 billion in discretionary business incentives over the length of his career. He has significant experience in the analysis and negotiation phases of site selection including a distinct understanding of the political implications and possibilities projects may offer. He also has in-depth technical knowledge of the back-end compliance. A trusted advisor to c-suite and corporate real estate executives, Tom works with clients to identify and negotiate favorable incentives packages with local and state municipalities.

He is often consulted by government economic development and elected officials as well as media outlets. Prior to joining BDO, he served in leadership roles at national investment banking and accounting firms. Tom is also a licensed attorney and corporate real estate broker in New York.



**JOE STOCKUNAS**  
President, SEMI Americas

[jstockunas@semi.org](mailto:jstockunas@semi.org)

As President of SEMI Americas, Joe Stockunas leads efforts to increase the value SEMI Americas delivers to members, directs North America sales and services, and drives events and programs. He also advocates for the microelectronics industry as part of the SEMI Global Leadership Team.

Before joining SEMI, Stockunas served as executive vice president and corporate officer of Nordson Corporation, a leading global precision technology supplier, overseeing the company's worldwide electronics systems business. Prior to Nordson, Stockunas worked at Air Products and Chemicals, Inc. for more than 30 years and held leadership positions in the materials and equipment business units of its Electronics Division.

Stockunas previously served on the SEMI North America Advisory Board, SEMI Board of Industry Leaders, the Nordson Corporate Foundation and SEMI Foundation boards. He also served on global and non-profit boards of organizations including Showa Denko K.K., Kawasaki, The Bethlehem Historic Partnership, Hanyang Technologies, TriMEGA Electronics LLC, and the American Red Cross.

Stockunas received a B.S. in Metallurgy and Materials Engineering and completed his graduate studies at Lehigh University.



## JOHN COONEY

Vice President, Global Public  
Policy & Advocacy, SEMI  
Americas

[jcooney@semi.org](mailto:jcooney@semi.org)

John Cooney is Vice President of Global Advocacy and Public Policy at SEMI and is based in Washington, D.C. In this role he oversees global government relations, including directing strategies to manage and strengthen the association's global public policy agenda and advocacy efforts, as well as teaming with SEMI regional presidents to grow manage relationships with policymakers, association members and SEMI public policy committees.

Cooney brings more than 20 years of public policy experience to the role. Before joining SEMI, he served as Director of Government Relations at SkyWater Technology, a Minnesota-based SEMI member company. Prior to his role at SkyWater, he held several senior-level leadership roles in the U. S. Department of Commerce, including as Chief of Staff and Senior Advisor for the International Trade Administration and Deputy Assistant Secretary for Global Operations of the U.S. and Foreign Commercial Service.

Cooney received his B.A. in Political Science from the University of Minnesota.



**IAN STEFF**  
President & CEO  
mySilicon Compass

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Ian Paul Steff hails from the nexus of technology partnerships, innovation policy, investment attraction, economic development, and international trade. He is a veteran executive with significant experience in government and industry. Mr. Steff is President and CEO of mySilicon Compass, LLC, a strategic consulting practice that engages clients seeking to advance their technological competitiveness; grow international sales and market share; create and foster public-private partnerships; and expand jobs, advanced manufacturing, and research and development investments in emerging growth sectors in the United States.

He most recently served as Assistant Secretary of Commerce for Global Markets and Director General of the U.S. and Foreign Commercial Service following his unanimous confirmation by the United States Senate. In this role, Mr. Steff led a team of 1,400 trade and investment professionals based in more than 100 U.S. cities and 70 countries focused on export promotion, advocacy on behalf of U.S. companies competing for foreign government procurements, investment attraction, and trade barrier removal. Mr. Steff also served as Deputy Assistant Secretary of Commerce for Manufacturing. During his time at the Department, the team Mr. Steff assisted more than 77,000 U.S. exporters, facilitated \$296 billion in U.S. exports and investment, and supported 1.3 million American jobs, as reported to the Office of Management and Budget.

Mr. Steff graduated magna cum laude from American University where he earned a B.A. in International Studies and was inducted into Phi Beta Kappa and Delta Tau Delta. He completed graduate work at the National Defense University in Washington, D.C., and received a M.A. in International Science and Technology Policy from the George Washington University.



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