

SEMICONDUCTOR INDUSTRY INFORMATION MEMO

JUNE 8, 2023

Commerce and EDA Launch Regional Technology Hubs Program With \$500 Million in Funding

The Department of Commerce (DOC) and the Economic Development Administration (EDA) have launched the application process for the Regional Technology and Innovation Hubs (Tech Hubs) Program. The Tech Hubs Program is a regional competition aimed at strengthening U.S. economic and national security through the investment of more than \$500 million in regions that possess the potential to become globally competitive in the technologies and industries of the future.

The Tech Hubs Program is divided into two phases, with each phase being subject to its own Notice of Funding Opportunity (NOFO) and offering different types of awards. The first NOFO, which was released in May 2023, details the requirements for applicants to obtain either one, or both, of the two types of awards available during the first phase, a Strategy Development Grant or a Tech Hub Designation. The first NOFO also provides some information regarding the second phase of the Tech Hubs Program, which will be subject to its own NOFO, and award Implementation Grants to a select number of regions who obtain a Tech Hub Designation in phase one.

Applicants

Eligible applicants for the Tech Hub Program must be a consortium consisting of members from five specific entity types. Each consortium must include an institution of higher education, a governmental entity, an industry group, an economic development organization and a labor or workforce training organization. Eligible consortia may also include members from other groups, although the EDA will evaluate a consortium based on the quality of the partnerships and the relevance of the members to the consortium's strategy, rather than on the quantity of participating members.

Additionally, a consortium must select and clearly identify a core technology area within or at the intersection of one or more of the key technology focus areas (KTFAs) that the Tech Hub would focus on if selected. The KTFAs under this NOFO are:

- Artificial intelligence, machine learning, autonomy and related advances;
- High performance computing, semiconductors, and advanced computer hardware and software;
- Quantum information science and technology;
- Robotics, automation and advanced manufacturing;
- Natural and anthropogenic disaster prevention or mitigation;
- Advanced communications technology and immersive technology;
- Biotechnology, medical technology, genomics and synthetic biology;
- Data storage, data management, distributed ledger technologies, any cybersecurity, including biometrics;
- Advanced energy and industrial efficiency technologies, such as batteries and advanced nuclear technologies, including but not limited to for the purpose of electric generation; and
- Advanced materials science, including composites 2D materials, other next-generation materials, and related manufacturing technologies.

Strategy Development Grants

Strategy Development Grants are a funding source in phase one of the Tech Hubs Program. These grants are intended to help regions prepare to apply for an Implementation Grant under phase two. The Strategy Development Grants can be used to fund the coordination and implementation of a planning process, conduct assessments of regional needs and capabilities, implement changes to existing laws or policies, hire a Regional Innovation Officer to lead the effort and other activities necessary to prepare for strategy implementation. Strategy Development Grants are not a prerequisite for either a Tech Hub Designation in phase one, or an Implementation Grant award under phase two.

Tech Hub Designations

Tech Hub Designation is a phase one program that designates successful applicants as Tech Hubs. Regions designated as Tech Hubs do not receive funding as a direct result of the designation, but only those regions designated as Tech Hubs can apply for Implementation Grants in phase two of the program.

The EDA's decision to designate a region as a Tech Hub is based on seven key designation factors which include the technology-based potential of the region for global competitiveness, the role of the private sector, regional coordination and partnership, equity and diversity, composition and capacity of the regional workforce, innovative "lab to market" approaches and the impact on U.S. economic and national security interests.

The EDA must designate at least 20 Tech Hubs under phase one.

Phase 2 and Implementation Grants

Implementation Grants are a part of phase two of the Tech Hubs Program, and more details will be released in a subsequent NOFO. These grants will be used to fund projects in certain Tech Hubs that were designated in phase one. The Implementation Grants will fund projects like workforce development, business and entrepreneur development, technology maturation and infrastructure development.

If you have any questions about the information presented in this memo, please contact [Brian Butler](#), [Jared Joyce](#), any attorney in Bond's [semiconductor industry group](#) or the Bond attorney with whom you are in regular contact.

**Special thanks to Bond Summer Law Clerk Gavin Gretskey for assisting with researching and drafting this memo.*

