



U.S. SENATE COMMITTEE ON
COMMERCE, SCIENCE, & TRANSPORTATION

SENATOR ROGER WICKER, R-MISS. RANKING MEMBER

FACT SHEET: New CHIPS Act Includes Significant Investments and Protections for Research and Development

FACT: The new CHIPS Act will add important research security guardrails to protect U.S. intellectual property.

Senators advanced the U.S. Innovation and Competition Act (USICA) to stop China from stealing U.S. intellectual property and the fruits of federally funded research with impunity. Among other provisions from USICA, the new bipartisan “CHIPS Act of 2022” would:

- **Empower NSF Research Security** – Requires NSF to maintain a Research Security and Policy Office to identify potential security risks.
- **Train researchers on best practices and prohibit federal employees and university researchers from participating in so-called malign foreign talent recruitment programs** – Requires covered individuals seeking funding from federal research agencies to complete annual training on research security. Creates a Research Security and Integrity Information Sharing Organization that would serve as a clearinghouse for institutions and researchers to identify improper and illegal efforts to compromise research security.
- **Ensure transparency** – Requires universities applying for National Science Foundation funds to disclose agreements and gifts from China and other “foreign countries of concern.” Also prohibits NSF funding from going to universities with Confucius Institutes.

FACT: The new CHIPS Act will reduce historic disparities in research funding allocations, ensuring more universities can participate in U.S. efforts to outcompete China.

A critical component of USICA was its historic changes to how the National Science Foundation distributes federal research and development (R&D) funding to universities and research institutions. In order to outcompete China, the U.S. will need to take advantage of the talent, capabilities, and expertise found in the industries and universities throughout America, not just a handful of coastal high-tech centers. For example, in 2021 over half of NSF funds went to just seven states plus D.C. Half the

states in the country received less than 13% of NSF funds. The new CHIPS Act includes important components of USICA that would help correct this concentration of R&D funding, including provisions that would:

- Establish a 20 percent set-aside of NSF funding and scholarships for EPSCoR jurisdictions (25 states + 3 territories).
- Establish a new \$10 billion Regional Technology Hub program to drive technology development in parts of America outside of established high-tech locations.

Senator Wicker advanced a compromise on each of these provisions that would phase in the EPSCoR set-aside over seven years and establish 20 regional tech hubs dispersed geographically for maximum impact.

FACT: The new CHIPS Act will boost research funding and STEM education opportunities for critical industries.

Another critical component of the Senate's carefully crafted USICA proposal was the significant boost for funding programs at NSF to help counteract China's huge gains in research. The new CHIPS Act includes many of those provisions, which amount to a total of \$36 billion in additional funding for NSF over the next five years. This additional funding will:

- **Invest in technology research critical for national and economic security** – Authorizes \$20 billion for the first-of-its-kind NSF Directorate for Technology, Innovation, and Partnerships (“TIP”), which will accelerate domestic development of technologies such as artificial intelligence, quantum computing, advanced manufacturing, 6G communications, energy, and material science.
- **Build the STEM workforce and expand rural STEM education** – Authorizes \$13 billion in funding over five years for STEM education, including scholarships, fellowships, and traineeships to create workers in critical fields, including to establish an artificial intelligence scholarship-for-service program, a national network for microelectronics education, and cybersecurity workforce development programs.
- **Build broad-based research opportunities** – Grows funding for NSF research activities for universities across the country, including investment in minority-serving institutions and emerging research institutions, and by placing EPSCoR jurisdictions on a path to receive 20 percent of funding in key accounts by FY2029.