



Proposed CHIPS Act Restrictions Target Research Collaboration

March 30, 2023

The CHIPS and Science Act allocates \$50 billion in stimulus spending to revitalize the US semiconductor industry. These incentives aim to restore US leadership in semiconductor manufacturing, support job growth in the semiconductor supply chain, and advance US economic and national security.

A new US government proposal would require companies seeking CHIPS Act funding to have high fidelity on their research collaboration in “foreign countries of concern,” including the People’s Republic of China (PRC) and Russia. The Commerce Department announced the proposal on March 23, and invited public comments to be submitted by May 22, 2023.

- The proposed rules would restrict companies’ researchers and their affiliates from engaging in joint research or licensing efforts related to a technology or product that raises national security concerns, including semiconductors.
- The proposal would strengthen existing US export controls related to advanced semiconductor technologies, including a new, more restrictive threshold for logic chips.

The PRC has turned to international cooperation, including joint research with foreign experts, to address critical shortfalls in its advanced semiconductor technology. Government documents published in recent years emphasize extracting foreign intellectual property and talent to advance the PRC’s domestic integrated circuit (IC) industry.

- The PRC’s semiconductor sector remains heavily reliant on foreign IP and technology. In May 2022, the market research firm IC Insights forecasted that by 2026 the PRC will produce only one of every five ICs that the country uses.
- According to August 2022 data from the China Semiconductor Industry Association, an organization that advises and coordinates government policy, the PRC will face a gap of 300,000 semiconductor experts by 2025.

Strider helps companies seeking CHIPS Act funding ensure compliance with US government rules by combining our global publication data with programmatic matching algorithms and risk screening. We identify funding, education, and employment relationships to uncover potential targeting risks from state-sponsored actors and risks of unwanted information and technology transfer.

- Strider maintains a dataset of more than 300 million scholarly articles and patents. Our matching algorithms identify the key researchers on a given topic or technology, their organizational affiliations, and the patterns of collaboration between researchers and organizations.
- Strider’s funding and resume datasets include government funding and talent flows between and among research institutes, companies, and individuals. Our screening algorithms identify relationships to high-risk organizations.