

United States Senate

WASHINGTON, DC 20510

October 11, 2024

The Honorable Gina Raimondo
Secretary
United States Department of Commerce
Washington, D.C. 20510

Dear Secretary Raimondo,

With the Department of Commerce recently announcing its first commercial agreement on a *CHIPS and Science Act* award, we are concerned about the lack of transparency around the terms in these contracts as well as the need for subsequent public reporting on companies' progress on honoring their commitments. These terms and ongoing public reporting are particularly important given the semiconductor industry's impact on health, safety, and the environment and its reputation for resisting employee efforts to unionize. With a public investment of more than \$50 billion — much of which is going to large corporations — the public deserves to know that semiconductor manufacturers have committed to upholding high standards in developing new plants. We urge the Department to provide more transparency on key issues in these contracts, particularly around health, safety, labor, and environmental provisions subject to transparent company-specific public progress reporting.

As we explained in previous letters, the Department of Commerce should use its role in the grant-making process to ensure that the U.S. semiconductor industry is safe and sustainable, creates high-quality jobs, and does not simply enrich shareholders and executives through stock buybacks¹ The Notice of Funding Opportunity for the *CHIPS and Science Act* incentives communicated the importance of strong protections for workers and community members throughout the semiconductor manufacturing process.² The Department of Commerce also committed ensuring that “CHIPS money is not a subsidy for big companies to make them more profitable or so they have more cash for stock buybacks or to pad their bottom line.”³

And unfortunately, although the Department finalized the first CHIPS Commercial Fabrication Facilities award in September 2024, \$123 million contract with a grant recipient, it did not release important terms of the agreement, including on critical issues involving job quality, wages, worker health and safety, the environment, and stock buybacks.⁴ In addition, the

¹ Markey et al, Letter to Secretary Raimondo on Semiconductor Manufacturing (Aug. 7, 2024), https://www.markey.senate.gov/imo/media/doc/letter_to_doc_on_chips_act_grants.pdf; Letter to Secretary of Commerce Gina Raimondo from Senators Warren, Baldwin, Sanders and Markey and Representatives Casten, Foster, Jayapal and Bowman, February 10, 2023, <https://www.warren.senate.gov/imo/media/doc/2023.02.10%20Follow%20Up%20Letter%20re%20CHIPS%20Stock%20Buybacks.pdf>.

² Nat'l Institute of Standards and Technology, Funding Opportunity – Commercial Fabrication Facilities (Mar. 19, 2024) <https://www.nist.gov/system/files/documents/2024/04/19/Amended%20CHIPS-Commercial%20Fabrication%20Facilities%20NOFO%20Amendment.pdf>.

³ The White House, “Remarks by President Biden in Meeting with CEOs and Labor Leaders on the Importance of Passing the CHIPS Act,” July 26, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/07/26/remarks-by-president-biden-in-meeting-with-ceos-and-labor-leaders-on-the-importance-of-passing-the-chips-act/>.

⁴ Press Release, Department of Commerce, Biden-Harris Administration Announces First CHIPS Commercial Fabrication Facilities Award with Polar Semiconductor, Establishing Independent American Foundry (Sept. 24,

The Honorable Gina Raimondo

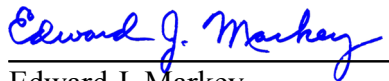
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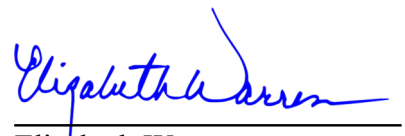
Department has not articulated how it will hold grant recipients accountable if they fail to meet their contractual terms. Communities near manufacturing facilities and American chip manufacturing workers deserve — and need — more transparency around these federal contracts to ensure manufacturers are held accountable to meaningful commitments. For that reason, we urge the Department to release more information about the contents of the contracts and ensure the public is properly informed about the requirements imposed on *CHIPS and Science Act* grant recipients.

We look forward to working with you on this important matter.

Sincerely,



Edward J. Markey
United States Senator



Elizabeth Warren
United States Senator



Bernard Sanders
United States Senator