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Hon. Gina M. Raimondo
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Attention:
National Institute of Standards and Technology
100 Bureau Drive
Gaithersburg, MD 20899

Re: *ICR Reference Number: 202303-0693-003 CHIPS Pre-Application Information Collection*

Dear Secretary Raimondo:

On behalf of Substrate Inc. (“Substrate”), we hereby submit the following comments on the National Institute of Standards and Technology’s (“NIST”) request for comments on its notice of CHIPS Pre-Application Information Collection.¹ Substrate again applauds NIST’s implementation of the CHIPS Act to secure American leadership in this critical sector and appreciates the opportunity to provide these comments in response to NIST’s notice. The following comments can assist the agency in tailoring the information it collects from companies operating at the forefront of semiconductor technology and next generation chips.

¹ Agency Information Collection Activities, Submission for Office of Management and Budget (OMB) Review and Emergency Approval; Comment Request; CHIPS Pre-Application Information Collection, 88 Fed. Reg. 10,498 (Dep’t Commerce Feb. 21, 2023).

I. INTRODUCTION

Substrate is a startup company based in San Francisco and was founded in 2022 after four years of intensive research by its founders to understand the systematic issues affecting American semiconductor leadership. The company is privately funded by leading American venture capital firms and prominent Silicon Valley angel investors. Our mission is to return America to semiconductor dominance by creating America's only next-generation pure-play foundry with the associated and highly-specialized supply chain on American soil.

II. NIST SHOULD TAILOR THE INFORMATION IT COLLECTS FROM STARTUPS

As NIST's notice soliciting comments indicated, CHIPS Act funding pre-applications create an opportunity for dialogue between the CHIPS Program Office and the applicant to ensure that the applicant can meet program requirements and address program priorities. We encourage NIST to adopt the following recommendations to achieve those goals with the needs and capabilities of early-stage startup companies in mind.

Startup companies, as new market entrants, are situated differently than more mature companies. NIST should tailor the information required from startups to reflect this reality. For instance, NIST stated that it intends to collect financial information for the applicant and the project(s), as well as detailed sources and uses of the funds. For pre-revenue startups that are in the early stages of the research and development ("R&D") lifecycle, the requested financial accounting should show that the recipient will allocate the awards to appropriate R&D capabilities and materials and/or equipment sourcing, but NIST should not require the company to submit evidence of current revenue generation. That said, it may be appropriate to consider estimates of future projections and estimates of future revenue.

Additionally, special consideration is needed regarding environmental compliance information relating to the National Environmental Policy Act (“NEPA”). For startup enterprises that have not yet started manufacturing, NIST should accept assurances regarding future NEPA and other environmental requirements where collecting such information now may be premature.

Similarly, the workforce development information sought should be tailored for startup companies in the R&D phase. For such entities, an applicant’s proposal should be permitted to include workforce development plans for both the R&D phase as well as the market entry phase. Workforce considerations will be different at various stages of the R&D and market-entry business cycle, as worker positions, qualifications, and skill levels may vary substantially.

III. ADDITIONAL EVALUATION CRITERIA

In addition to the information that NIST indicates that it will solicit, we encourage the agency to consider the following evaluation criteria:

- The innovative nature of the applicant company and the quality/sophistication of its R&D endeavors;
- The contributions of the applicant’s innovations to the future of the U.S. semiconductor ecosystem;
- The contributions of the applicant’s future success to U.S. technology leadership on the global stage;
- The impact of the project on the future of the U.S. and its allies’ commercial and defense sectors, and overall economies; and,
- The absence of any business dealings with the applicant and foreign countries of concern, thus assuring the U.S. government that no portion of its award will directly or indirectly benefit foreign countries of concern or entities operating therein.

IV. CONFIDENTIALITY OF APPLICANTS

Lastly, we encourage NIST to consider making some information on project applicants public. Although there is a strong interest in keeping certain information – *e.g.*, technology, business plans, etc. – confidential, making public the identities of entities that intend to apply and short project descriptions would encourage private-sector partnerships and collaboration across the U.S. semiconductor ecosystem. In turn, this would help strengthen U.S. supply chains and enable opportunities for start-up market entrants. NIST could consider an “opt-in” approach, in which it would make public the names of entities that do not have a preference for keeping their identities confidential, as well as a brief project description.

* * *

In sum, Substrate appreciates the opportunity to comment on NIST’s pre-application information collection efforts. By implementing these recommendations, NIST has the potential to improve the delivery of awards to support semiconductor industry participants who are working to advance innovative perspectives. Substrate stands ready to do its part to support the United States, the Department of Commerce, and NIST to ensure the success of the CHIPS Act and America’s dominance in the semiconductor industry. Please do not hesitate to contact the undersigned should you have any questions or comments.

Respectfully submitted,

/s/ Nazak Nikakhtar
Nazak Nikakhtar, Esq.

Counsel to Substrate Inc.