

Congress of the United States

House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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December 17, 2025

Craig Burkhardt
Acting Under Secretary of Commerce for Standards and Technology
National Institute of Standards and Technology
100 Bureau Drive
Gaithersburg, MD 20899

Dear Acting Under Secretary Burkhardt,

We write to express concern about NIST's decision to terminate its award to the SMART USA Institute, the semiconductor-focused Manufacturing USA institute. At a time of heightened competition between the United States and our adversaries on semiconductor innovation, speed and commitment to U.S. investments are critical. As such, we question the Department's recent decisions to halt or delay semiconductor research and development (R&D) programs and awards authorized by Congress, and break existing obligations to industry and academia.

The *CHIPS and Science Act* provided appropriations¹ in 2022 to the Department of Commerce to support at least one Manufacturing USA institute² focused on semiconductor manufacturing. One specific area named in statute is "research to support the virtualization and automation of maintenance of semiconductor machinery."³ In carrying out this law, which was intended to address known gaps in the semiconductor R&D ecosystem, the Department issued a notice of funding opportunity in May 2024, held a competition with two main phases, entered into negotiations with the potential awardee in November 2024, and awarded the institute in January 2025. To the best of our knowledge, this process was methodical, fair, and competitive, and followed the letter and intent of the law. If anything, stakeholders expressed concern to Congress that the process took too long given the urgency of the challenge.

NIST made the award to the Semiconductor Research Corporation (SRC), a nonprofit consortium with a longstanding record addressing R&D challenges faced by the U.S. semiconductor industry. SRC proposed to establish a Manufacturing USA Institute that focuses

¹ Section 102(a)(2)(A)(i)-(v), CHIPS and Science Act.

² Section 9906(f) of the CHIPS Act.

³ Ibid.

on digital twin technology to improve domestic semiconductor design, manufacturing, advanced packaging, assembly, and test processes. The awardee has a sterling history and reputation with U.S. industry and academia—attracting over 100 partners to the institute at the time of this writing. The SMART USA Institute’s board of directors includes major industry participants, including the Semiconductor Industry Association.

We worry that NIST’s arbitrary and capricious decisions to terminate its financial commitments will shake confidence among its current and future partners, even long after this Administration leaves office. NIST has a reputation as a neutral and steadfast partner that can work with any industry and academic organization. This reputation is very much at risk. Few companies would willingly seek partnership with an organization that cancels its obligations on a whim.

In breaking its commitment, the Administration cited a refocus on advancing “the President’s stated agenda of securing the U.S. position as the unrivaled world leader in critical and emerging technologies.” To understand this vague statement, we assessed the Broad Agency Announcement (BAA) that solicited proposals for semiconductor R&D funding and was released in September.⁴ NIST also held a webinar to provide general information on these awards.⁵ NIST seems to have pivoted its model to that of an investment accelerator or venture capital fund, funding riskier research in exchange for intellectual property and equity. These types of awards may appeal to startups that are willing to make such exchange for capital but push away established companies, especially the leading companies that drive U.S. competitiveness in semiconductors today. While there is a time and place for the venture capital model, especially in the private sector, dedicating the entire CHIPS R&D program to it would unquestionably fail to meet the clear text and intent of the *CHIPS Act*. Congress directed this funding across different programs, including the Manufacturing USA Network, to support the entire semiconductor ecosystem and address innovation challenges across the semiconductor lifecycle.

As NIST continues to make funding decisions related to the CHIPS R&D programs, we ask that you provide the following information:

- What is NIST’s specific justification for terminating the manufacturing USA institute focused on digital twin technology for semiconductor manufacturing?
- What was the timeline and process for making this decision? Was opportunity given to the awardee for appeal?
- Did you conduct any analysis of the risks before breaking the government’s agreement with SMART USA, including risks related to the U.S. semiconductor innovation ecosystem, public-private partnerships to advance such ecosystem, and NIST’s reputation over time?
- How does the Department plan to fulfill its obligations under *the CHIPS Act*, including the funding that was appropriated for a Manufacturing USA Institute related to semiconductor manufacturing?

⁴ <https://www.grants.gov/search-results-detail/360651>

⁵ <https://www.nist.gov/news-events/events/2025/11/chips-rd-office-broad-agency-announcement-baa-webinar>

We would appreciate a briefing from your staff to better understand how you are approaching these questions. Please provide a response no later than January 15, 2025. If you have any questions, please contact Alan McQuinn or Dahlia Sokolov of the Committee's Minority staff at (202) 225-6375.

Sincerely,

A handwritten signature in blue ink, appearing to read "Zoe Lofgren", with a long horizontal flourish extending to the right.

Zoe Lofgren
Ranking Member
Science, Space, and Technology Committee

A handwritten signature in blue ink, appearing to read "Haley Stevens", with a large, stylized "H" and a circular flourish at the end.

Haley Stevens
Ranking Member
Research and Technology Subcommittee

cc:

Brian Babin, Chairman, Science, Space, and Technology Committee

Howard Lutnick, U.S. Secretary of Commerce

Duane Townsend, Acting Inspector General, U.S. Department of Commerce