



STATE OF WASHINGTON
— OFFICE OF GOVERNOR JAY INSLEE —

DIRECTIVE OF THE GOVERNOR

24-18

Date: November 18, 2024
To: Executive and Small Cabinet Agencies
From: Governor Jay Inslee
Subject: Washington State CHIPS & Science Working Group

Washington state’s robust business ecosystem and world-class research institutions have made us a global leader in technological innovation, home to groundbreaking inventions and next-generation industries. As we face the next wave of innovation – particularly in quantum computing, generative Artificial Intelligence, and the advanced components that power them – my administration has [established guidelines for AI utilization in state government](#) and [legal structures for commercial applications](#). Washington state must also act decisively to secure our leadership in advanced technology research, development, and manufacturing.

On August 9th, 2022, the CHIPS and Science Act (“the Act”) was enacted to reassert U.S. leadership in semiconductor manufacturing, strengthen supply chain resilience, and accelerate research and development. The Act has already generated over \$30 billion in private-sector investments, including 16 new semiconductor manufacturing facilities expected to create over 115,000 jobs nationwide.¹ This presents a vital opportunity for Washington state’s semiconductor industry that generates \$4.5 billion in economic impact and \$673 million in annual wages while employing nearly 8,600 Washingtonians statewide.²

Our state has taken significant steps to capitalize on this opportunity. Earlier this year, I [signed into law House Bill 2842](#), reinstating our state’s semiconductor tax incentives. The recent opening of [IonQ’s first dedicated U.S. quantum computing manufacturing facility in Bothell](#) further demonstrates our state’s appeal to cutting-edge technology companies. However, to fully

¹ “Two Years Later: Funding from CHIPS and Science Act Creating Quality Jobs, Growing Local Economies, and Bringing Semiconductor Manufacturing Back to America,” U.S. Department of Commerce, August 9, 2024 ([link](#))

² “Semiconductors - Washington State - Where the Next Big Thing Begins,” Washington State Department of Commerce, July 31, 2023 ([link](#))

leverage the opportunities presented by the Act, particularly in advanced packaging and semiconductor R&D, we must take additional coordinated action.

Accordingly, I direct the Washington State Department of Commerce to convene and manage a public-private work group to coordinate a comprehensive, statewide approach to securing current and future grant opportunities issued pursuant to the CHIPS and Science Act, with immediate focus on the National Advanced Packaging Manufacturing Program (NAPMP) and then other R&D initiatives as they arise.

The purpose of this work group is to convene grant applicants, technical and policy leaders from industry and academia, legislators, and responsible economic development and regulatory officials to optimally position Washington state to attract federal grants for research, development, and investment in semiconductor technologies. Approximately \$1.6 billion will be made available in 2024-2025 by federal agencies to spur innovation in five distinct Research Areas: Equipment, Tools, Processes, and Process Integration; Power Delivery and Thermal Management; Connector Technology, Including Photonics and Radio Frequency (RF); Chiplets Ecosystem; and Co-design/Electronic Design Automation (EDA). By improving coordination among applicants and leveraging our state's unique strengths, we can enhance our competitiveness and emphasize Washington's natural advantages in this critical field.

The CHIPS & Science R&D Work Group shall consist of not more than seventeen (17) members and shall be chaired on behalf of the Governor by the Director of the Washington State Department of Commerce.

The membership of the Work Group shall consist of organizations currently applying for, or expecting to apply for, federal grant opportunities, and be drawn from:

- **Higher Education Institutions:** Up to five (5) academic representatives of higher education institutions, including public universities from across the state that feature a STEM leadership program, a federally designated minority serving institution, and from the state's community and technical college system.
- **Industry:** Up to four (4) representatives of for-profit companies registered to do business in Washington state that are leading actors in semiconductor, advanced packaging, artificial intelligence, data services, or other relevant advanced technology industries, including one (1) from a startup company.
- **Economic Development:** One (1) representative from the economic development organizations in Washington state, including but not limited to Associate Development Organizations (ADOs), representing counties with significant semiconductor industry employment.
- **Advanced Technology Research Institutions:** Technical representatives from advanced technology research institutions located in Washington state, including but not limited to

centers of excellence (COE) and fabrication facilities. At least one (1) representative must be primarily affiliated with a federal National Laboratory located in Washington state.

- **Governor's Office:** Up to two (2) representatives of the Office of the Governor. Such representatives shall have primary responsibility for coordinating pursuit of federal funding as well as statewide economic competitiveness policy, respectively.
- **Legislature:** The Department of Commerce shall coordinate with the leadership of the majority and minority caucuses in the House and Senate to identify up to four (4) Members representing districts or committees with material interest in relevant federal grant applications.

The Office of Economic Development and Competitiveness (OEDC) at the Department of Commerce, in coordination with the Office of the Governor, shall provide operational support necessary for this Work Group to convene. The State of Washington Information and Communications Technology (ICT) Sector Lead as well as the Assistant Director of Commerce for Economic Development and Competitiveness are designated *ex officio* members of the Work Group and may serve as acting chairs on a situational basis.

The Work Group shall:

1. Establish an efficient cross-agency support team to coordinate state efforts including a central point of contact for relevant stakeholders and applications.
2. Provide technical assistance and advice to develop and elevate the most competitive federal grant applicants, with a particular focus on NAPMP and other semiconductor R&D opportunities.
3. Develop a clear communication strategy that amplifies Washington state's inherent strengths in semiconductor R&D and advanced packaging, including centralized public communications resources for applicants.
4. Coordinate broad-based, statewide support for the strongest applications, leveraging Washington's unique assets such as the Washington Nanofabrication Facility and the state's leadership in the materials sciences.
5. Develop, for consideration by the Office of the Governor and legislators, a statewide strategy for legislative and budgetary measures to further strengthen our competitiveness in semiconductor R&D and advanced packaging.
6. Provide post-application follow-up and support.
7. Provide, in partnership with the Governor's Office, consistent ongoing communication and collaboration with Washington state's Congressional delegation in Washington, D.C.

The Work Group shall ensure, in coordination with appropriate state agencies, that opportunities for engagement from technically relevant institutions of federal Treaty Tribes in Washington state are clearly identified, consistent with the requirements of state law as well as federal Notices of Funding Opportunity (NOFO) pursued by Work Group participants.

The Work Group shall convene at least twice prior to February 1, 2025, and thereafter at a regular schedule established by the Chair in consultation with the Governor.

Agencies subject to my authority shall implement this directive consistent with current federal and state laws. This directive is not intended to, and does not, create any legal right, entitlement or benefit, substantive or procedural, enforceable at law or in equity, against the state, its agencies, departments, entities, officers, employees, or any other person.