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United States Senate

COMMITTEES ARMED SERVICES AGRICULTURE, NUTRITION AND FORESTRY SMALL BUSINESS AND ENTREPRENEURSHIP

December 11, 2024

The Honorable Gina Raimondo Secretary U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, D.C. 20230

Dear Secretary Raimondo,

Your recent mandate to the Department of Commerce staff to work overtime—including weekends—spending billions of dollars in funding provided by the CHIPS and Science Act as quickly as possible before President-elect Trump takes office in January is extremely concerning.¹

Essential goods, like microchips, are produced domestically to strengthen our economy and national security and ensure our supply chain cannot be threatened by adversaries. The success of this initiative, however, requires thoughtful planning and strategic spending, not binge buying shopping sprees by bureaucrats shoveling billions out the door before your term expires.

This is not a time to let the CHIPS fall where they may. Haste makes waste as we learned when \$280 billion of COVID dollars may have been handed to fraudsters in the rush to get the money out the door as quickly as possible.² Shoveling out heaps of taxpayer dollars as fast as possible, with little to no oversight, is part of the reason the United States government is nearly \$36 trillion in debt today.

American taxpayers deserve to know their hard-earned dollars are spent wisely and responsibly on projects being properly vetted to guarantee they will actually advance our national interests, rather than the personal or political interests of any one person in Washington.

It appears the Department of Commerce is carrying out your spending spree orders, awarding nearly as much funding through the CHIPS for America program in the 27 days since November 14th as had been since its inception.

The Department of Commerce already awarded \$25 billion³ in funding incentives through the CHIPS for America program, out of the nearly \$53 billion authorized by Congress. It is hard to

¹ Steven Overly, "Raimondo's urgent mission: Leave no cash for Trump," POLITICO, November 20, 2024; <u>https://www.politico.com/news/2024/11/20/raimondo-commerce-trump-legacy-00190538</u>.

² Richard Lardner, Jennifer McDermott, and Aaron Kessler "The Great Grift: How billions in COVID-19 relief aid was stolen or wasted," Associated Press, June 12, 2023; <u>https://apnews.com/article/pandemic-fraud-waste-billions-small-business-labor-fb1d9a9eb24857efbe4611344311ae78</u>.

³ "Department of Commerce Awards CHIPS Incentives to Micron for Idaho and New York Projects; <u>https://www.commerce.gov/news/press-releases/2024/12/department-commerce-awards-chips-incentives-micron-idaho-and-new-york</u>"

believe the Department of Commerce would undergo the same levels of oversight and consultation with industry and other relevant stakeholders to determine if an award is truly merited with a month left in the Biden administration, if your goal is to "have almost all of the money obligated by the time we leave."

Accordingly, I request the Department of Commerce immediately suspend the shopping spree and discontinue awarding new grants until a new secretary is confirmed. Please also preserve all records related to funding decisions and awards approved through the CHIPS and Science Act.

Additionally, please provide written answers to the following questions by January 3, 2025:

- What is the total number of ongoing negotiations the Department of Commerce has with entities that are applying to receive awards through the CHIPS for America program?
- What is the average duration of projects receiving awards through the CHIPS for America program from the time of application to disbursement of the award for those before November 5, 2024, and for those after?
- What is the average dollar amount of awards through the CHIPS for America program disbursed prior to November 5, 2024 and those disbursed after?
- Please provide a list of projects receiving an award including the total dollar amount of the award received, those in preliminary negotiations for an award, and those that have entered a Memorandum of Understanding for CHIPS awards, categorized by date.
- Is the Department of Commerce utilizing any authorities to expedite existing applications for awards? If so, what measures is the Department of Commerce using to ensure that taxpayer dollars are allocated effectively and to meritorious projects?
- How is the Department of Commerce coordinating and communicating with the incoming Trump Administration on CHIPS and Science Act programs, and any applications for awards that will not be finalized before January 20, 2025?

Thank you for your attention to this important matter. If you have any questions, please do not hesitate to contact me or my staff at (202) 224-3254.

Sincerely,

oni K. Ernst