



## MEMORANDUM

**To:** GuidePost Clients  
**From:** GuidePost Strategies  
**RE:** Commerce Secretary Gina Raimondo on CHIPS Implementation  
**Date:** September 29, 2022

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### OVERVIEW

On Thursday, September 29, the **Atlantic Council** hosted a conversation with **U.S. Secretary of Commerce Gina Raimondo** on the strategic competition between the U.S. and China, particularly in the Critical and Emerging Technologies (CETs) space, with a specific focus on implementing the CHIPS and Science Act of 2022.

### KEY TAKEAWAYS

- In terms of implementation, **partnerships and defining the best strategy** is the first step. Partnerships should be formed from the university level to American industries. Secretary Raimondo stressed that we have the opportunity to **create core research** and **compare results across the field**.
- **Universities set the stage for standards**, *but need collaboration with agencies and industries in order to succeed*. This will create better practices when it comes to research, creation, security and vision.
- **Safeguards and protecting intellectual property** (when it comes to China) are key to implementation. Congress is aware that improvement of U.S. safeguards and guardrails is integral. **The Department of Commerce is making a conscious effort to work with Congress and make those improvements**. Secretary Raimondo noted that people are shocked to learn how much involvement China has with the process of production, from testing to the final result - this legacy needs to end. When working with companies, it is important to ensure the **networks are safe and align with U.S. security goals**.
- When it comes to CHIPS, **increasing talents, supplies, and resources is key**. Beyond that, it is difficult to cultivate successful groundwork. CHIPS will not be successful without innovation. A strategy that involves other technologies, emerging or not, is just as important as implementation. However, the roadmap needs to be American-based. Research & Development plays a huge role in this as well. The CHIPS Act designates a large amount of attention to R&D - it is the roadmap for future innovation.
- This CHIPS Act focuses on **offensive and defensive strategies**. The concept of clean networks needs to be focused on in implementation. **The key to success is trusted networks and trusted technology standards**. The two have to be done with the collaboration of allies. When companies change or alter the standards, they run into the risk

of harmful language to U.S. allies. **The Department wants U.S. allies to adopt to U.S. standards**, and to achieve this objective, trust is essential.

- The destination of data is impressive, Secretary Raimondo highlighted. Where the U.S. is going with data can easily be misconstrued. As the U.S. moves further into what technologies are really capable of doing, trust becomes a more important factor. **Data and data flow need to be secured.**
- As a country, we want to go to places where other countries are working and aligning with U.S. standards - this includes the countries participating in the **Indo-Pacific Economic Framework (IPEF)**. *Once a country signs onto this agreement, it becomes a stamp of approval to commit to U.S. standards.*
- **Ten years from now**, we will produce more engineers, include more chips-related start-ups, and create more manufacturing jobs.