

119TH CONGRESS
1ST SESSION

S. 3301

To prohibit purchases of certain semiconductor manufacturing equipment from foreign entities of concern or subsidiaries of foreign entities of concern, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2025

Mr. KELLY (for himself and Mrs. BLACKBURN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To prohibit purchases of certain semiconductor manufacturing equipment from foreign entities of concern or subsidiaries of foreign entities of concern, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Chip Equipment Qual-
5 ity, Usefulness, and Integrity Protection Act of 2025” or
6 the “Chip EQUIP Act”.

1 **SEC. 2. PURCHASES OF SEMICONDUCTOR MANUFAC-**
2 **TURING EQUIPMENT.**

3 (a) DEFINITIONS.—Section 9901 of the William M.
4 (Mac) Thornberry National Defense Authorization Act for
5 Fiscal Year 2021 (15 U.S.C. 4651) is amended by adding
6 at the end the following:

7 “(14) The term ‘completed, fully assembled’,
8 with respect to semiconductor manufacturing equip-
9 ment, means the state in which all (or substantially
10 all) necessary parts, chambers, subsystems, and sub-
11 components have been put together, resulting in
12 such equipment that is—

13 “(A) ready-to-use or ready-to-install; and

14 “(B) ready to be purchased directly from
15 an entity.

16 “(15) The term ‘ineligible semiconductor manu-
17 facturing equipment’—

18 “(A) means completed, fully assembled
19 equipment that is manufactured, assembled, or
20 refurbished by a foreign entity of concern or
21 subsidiary thereof and designed for use in the
22 fabrication, assembly, testing, advanced pack-
23 aging, production, or research and development
24 of semiconductors;

25 “(B) includes—

26 “(i) deposition equipment;

1 “(ii) etching equipment;
2 “(iii) lithography equipment;
3 “(iv) inspection, measuring, and test
4 equipment;
5 “(v) wafer slicing equipment;
6 “(vi) wafer dicing equipment;
7 “(vii) wire bonders;
8 “(viii) ion implantation equipment;
9 “(ix) chemical mechanical polishing;
10 “(x) diffusion or oxidation furnaces;
11 “(xi) thermal processing equipment;
12 and
13 “(xii) automated material handling
14 systems; and
15 “(C) does not include any part, chamber,
16 subsystem, or subcomponent that enables or is
17 incorporated into such equipment.”.

18 (b) INELIGIBLE USE OF FUNDS.—Section 9909 of
19 the William M. (Mac) Thornberry National Defense Au-
20 thorization Act for Fiscal Year 2021 (15 U.S.C. 4659)
21 is amended—

22 (1) by redesignating subsection (f) as sub-
23 section (g); and

24 (2) by inserting after subsection (e) the fol-
25 lowing new subsection:

1 “(f) INELIGIBLE USE OF FUNDS.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 the Secretary shall include in the terms of each
4 agreement with a covered entity for the award of
5 Federal financial assistance under section 9902, or
6 with the recipient of an award made under section
7 9906, prohibitions with respect to a project relating
8 to the procurement, installation, or use of ineligible
9 semiconductor manufacturing equipment, to be ef-
10 fective for 10 years beginning on the date on which
11 the agreement is signed.

12 “(2) WAIVER.—The Secretary may waive the
13 prohibitions referred to in paragraph (1) if—

14 “(A) the ineligible semiconductor manufac-
15 turing equipment to be purchased by the appli-
16 cable covered entity is not produced in the
17 United States or an allied or partner country in
18 sufficient and reasonably available quantities or
19 of a satisfactory quality to support established
20 or expected production capabilities;

21 “(B) the ineligible semiconductor manufac-
22 turing equipment at issue was manufactured
23 and assembled by an entity that is not a foreign
24 entity of concern or subsidiary thereof and was

1 refurbished by a foreign entity of concern or
2 subsidiary thereof; or

3 “(C)(i) the use of the ineligible semicon-
4 ductor manufacturing equipment complies with
5 the requirements set forth in the Export Ad-
6 ministration Regulations (as such term is de-
7 fined in section 1742 of the Export Control Re-
8 form Act of 2018 (50 U.S.C. 4801)); and

9 “(ii) the Secretary, in consultation with the
10 Director of National Intelligence or the Sec-
11 retary of Defense, determines such waiver is in
12 the national security interest of the United
13 States.

14 “(3) FOREIGN ENTITIES OF CONCERN.—Noth-
15 ing in this subsection may be construed to waive the
16 application of section 9907.”.

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