

Commerce Department starts process to fund tech hubs across the US with \$500 million in grants

May 12 2023, by Josh Boak



Commerce Secretary Gina Raimondo listens during a meeting with President Joe Biden's "Investing in America Cabinet," in the Roosevelt Room of the White House, Friday, May 5, 2023, in Washington. Health and Human Services Secretary Xavier Becerra looks on at left. The Commerce Department on Friday, May 12, 2023, is launching the application process for cities to receive a total of \$500 million in grants to become “tech hubs.” Credit: AP Photo/Evan Vucci,

File

The Commerce Department on Friday is launching the application process for cities to receive a total of \$500 million in grants to become technology hubs.

The \$500 million is part of a \$10 billion authorization from last year's CHIPS and Science Act to stimulate investments in new technologies such as artificial intelligence, quantum computing and biotech. It's an attempt to expand tech investment that is largely concentrated around a few U.S. cities—Austin, Texas; Boston; New York; San Francisco; and Seattle—to the rest of the country.

"This is about taking these places on the edge of glory to being world leaders," Commerce Secretary Gina Raimondo told The Associated Press. "My job is to enhance America's competitiveness."

The Biden administration has made it a priority to set an industrial strategy of directing government investment into computer chips, clean energy and a range of other technologies. Officials say that being leaders in those fields will foster economic and [national security](#), reflecting a belief that the best way to compete against China's ascendance will come from building internal strength.

The tech hubs are meant to build up areas that already have major research specialties but lack the access to financing that could fuel stronger growth and business formation in those fields. Pockets of the U.S. already have leading-edge tech such as [medical devices](#) in Minnesota, robotics in Pittsburgh and agricultural [technology](#) in Fresno, California. But the challenge has been finding ways to boost those fields so that government investment leads to more support from private

capital.



President Joe Biden signs into law H.R. 4346, the CHIPS and Science Act of 2022, at the White House in Washington, Aug. 9, 2022. The Commerce Department is launching the application process for cities to receive a total of \$500 million in grants to become “tech hubs.” The \$500 million is part of a \$10 billion authorization from last year’s CHIPS and Science Act to stimulate investments in new technologies such as artificial intelligence, quantum computing, biotech and other fields. Credit: AP Photo/Carolyn Kaster, File

To qualify for the tech hub money, each applicant will need a partnership that includes one or more companies, a state development agency, worker training programs, a university and state and local

government leaders. Roughly 20 cities are expected to be designated as tech hubs with 10 eventually receiving funding.

President Joe Biden hopes to broaden the funding over time, requesting in his [budget proposal](#) that Congress appropriate another \$4 billion for it over the next two years. Raimondo said that she expects a large number of applications from across the [political spectrum](#).

The tech hubs program, formally [the Regional Technology and Innovation Hub Program](#), ties into a [political message](#) that Biden has delivered in speeches. The Democratic president has said that people should not feel forced to leave their hometowns to find good jobs nor should opportunity cluster in just a few parts of the country while other regions struggle.

"You shouldn't have to move to Silicon Valley if you're a scientist with a great idea," Raimondo said.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Commerce Department starts process to fund tech hubs across the US with \$500 million in grants (2023, May 12) retrieved 3 May 2024 from <https://techxplore.com/news/2023-05-commerce-department-fund-tech-hubs.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--