

# Ensuring American Leadership through Regional Tech Hubs

**America is at a pivotal moment.** We require a national effort both to promote and to protect our leadership in critical and emerging technologies. Only through a strong and determined investment in America's world-leading scientists and entrepreneurs can we retain our preeminence in the face of substantial challenges by China and other nations.

The Department of Commerce's **Regional Technology & Innovation Hubs** (Tech Hubs) align with this national security and economic imperative, and the Administration should support, fund, and improve the Tech Hubs program to achieve its goals.

## Recommendations for Stronger Tech Hubs

### #1. Ensure Tech Hubs & Defense partnership

To promote security and dual-use tech, Commerce must expand its work and funding collaborations with DIU and other DOD offices.

### #2. Establish regulatory sandboxes for Tech Hubs

Commerce should work with agencies and states to test new rules that remove constraints on construction and innovation.

### #3. Immediately fund the remaining \$9B authority

Tech Hubs will catalyze the greatest, earliest gains with a strong investment. New leadership should unleash the program's full potential.

## Tech Hubs Promote American Leadership

**Tech Hubs are a key part of a robust and bipartisan response to promote America's tech greatness.** China and other countries are making multi-billion dollar investments designed to surpass America's leadership in industries of the future.<sup>1</sup> The Department of Defense, Information Technology & Innovation Foundation, Heritage Foundation, and many others are concerned about the national and economic security effects of losing our technological edge.<sup>2</sup>

Fully executed, Tech Hubs are designed to address several priorities:

- Accelerate innovations in critical tech
- Catalyze private investment in emerging tech
- Grow tech jobs and production in more U.S. regions
- Improve domestic supply chain resilience
- Secure our national defense through tech superiority



Maximizing America's opportunity to maintain tech superiority requires that Congress and Commerce fund Tech Hubs at its full authorization level.

## How the Tech Hubs Program Operates

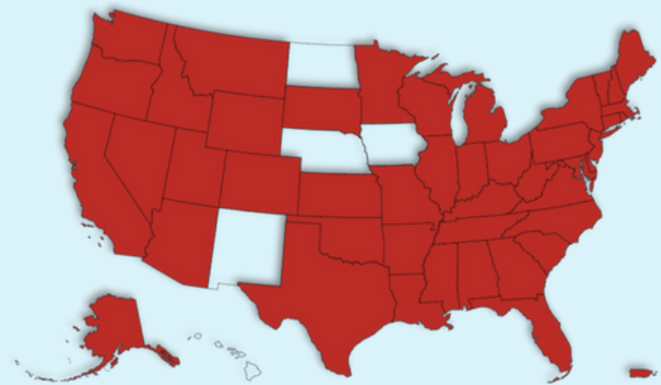
Tech Hubs promote U.S. regions that have the expertise to become global leaders in critical tech sectors, such as quantum, AI, pharmaceuticals, and rare earths minerals.

There are two main components of the program:

- 1 Identify and *designate* regions as Tech Hubs within critical tech sectors.
- ☒ **Commerce has designated 31 Tech Hubs.**<sup>3</sup>
- 2 Provide up to \$1 billion per region to *implement* projects that achieve tech dominance.
- ☐ **Commerce has invested just \$504 million across 12 Tech Hubs.**<sup>4</sup>

### Most states are active Tech Hubs participants.

*The 31 designated Tech Hubs, including 12 with implementation awards, cover 34 states, and another 13 states are covered by Strategy Development awards.*



## Tech Hubs Impacts to Date

Designated Tech Hubs have not been waiting for Congress or Commerce to provide the rest of the program's \$10 billion in authorized funding to get to work, leveraging their recognition for regional leadership to secure further funding and partnerships, attract private investment, and advance innovations. Some of these successes to date include the following:

- Securing support from more than **500 firms and industry groups**, alongside another 900 total entities, across the 31 designated Tech Hubs.<sup>5</sup>
- Virginia invested \$3 million in **APM Tech Hub** member Civica Script's new facility that employs 200+ in making fast-acting and low-cost insulin.<sup>6</sup>
- **KCBioHub** has seen six research and manufacturing plant expansions begin or open since its designation, accelerating Kansas City region's momentum.<sup>7</sup>
- The **Pacific Northwest Mass Timber Tech Hub** has seen industry and other partners put \$140 million into co-located timber housing and research facilities.<sup>8</sup>

In order to maintain this momentum – and to catalyze far greater outcomes –  
**Congress and Commerce must fund Tech Hubs at its full authorization level.**

## Advancing Critical and Emerging Tech

The 31 designated Tech Hubs demonstrated core strengths in technologies across eight fields that are crucial to the future of America's national security and economic competition.

Commerce's implementation investments and catalytic funding from industry and other local partners are helping these regions become global leaders in their technology sectors.

### Autonomous Systems



3 Tech Hubs

### Biomanufacturing



6 Tech Hubs

### Critical Minerals



2 Tech Hubs

### Energy Technologies



5 Tech Hubs

### Materials Mfg.



4 Tech Hubs

### Predictive Medicine



5 Tech Hubs

### Quantum Technologies



2 Tech Hubs

### Semiconductor Mfg.



4 Tech Hubs

## Improving the Tech Hubs

Tech Hubs are off to a strong start and achieving results, but there are improvements to the program's implementation that would facilitate greater impact for participating regions and the nation as a whole.

### **#1. Ensure Tech Hubs & Defense partnership**

*To promote security and dual-use tech, Commerce must expand its work and funding collaborations with DIU and other DOD offices.*

Commerce and DIU announced a partnership in Sept. 2024 to help Tech Hubs companies connect with buyers throughout DOD.<sup>9</sup> The Administration should ensure this work occurs while creating opportunities with other parts of DOD, including the Office of Strategic Capital, Defense Labs, and relevant branches. A priority should be facilitating the dual-use development of critical technologies from relevant Tech Hubs.

### **#2. Establish regulatory sandboxes for Tech Hubs**

*Commerce should work with agencies and states to test new rules that remove constraints on construction and innovation.*

Multiple Tech Hubs are operating in sectors with heavy regulation, including autonomous vehicles, biotech, critical minerals, and water tech. Commerce should facilitate interventions with relevant federal and state agencies with the goal of alleviating unnecessary requirements or else establishing waivers permitting Tech Hubs companies to test new rules. Similarly, to accelerate Tech Hubs' operations, Commerce should assist regions with alleviating construction requirements for projects advancing their program mission.

### **#3. Immediately fund the remaining \$9B authority**

*Tech Hubs will catalyze the greatest, earliest gains with a strong investment. New leadership should unleash the program's full potential.*

The Tech Hubs program is intended—correctly—to make early and large investments that will catalyze new global leaders in the race for dominance in emerging and critical tech sectors. Unfortunately, Commerce has awarded just 5% of implementation funds to date (another 5% is available via spectrum auctions), and Congress needs to act on the next \$9 billion in authorized funds. The Administration and Congress should ensure that the remaining funds are provided and awarded soon so that regions can make their necessary investments and take on the threats that China and other countries pose to American leadership.

## For Further Information

Contact the Regional Innovation Alliance to learn more about:

- The national Tech Hubs program
- The impacts and progress that designated Tech Hubs are making in their regions
- Why immediate federal funding at the authorized level is necessary to maximize success
- How to add your support

Email [info@regionalinnovationalliance.org](mailto:info@regionalinnovationalliance.org)

## End Notes

1. In March 2025, China announced a planned \$138 billion investment in chips, quantum computing, robotics, and AI; see Gan, N. & Liu, J. (2025, Mar. 10). “China announces high-tech fund to grow AI, emerging industries.” CNN. [cnn.com/2025/03/06/tech/china-state-venture-capital-guidance-fund-intl-hnk](https://www.cnn.com/2025/03/06/tech/china-state-venture-capital-guidance-fund-intl-hnk). This follows a dramatic ramp-up of China’s investment in research spending that now approaches parity with the U.S.; see OECD. (2025, Mar. 31). “R&D spending growth slows in OECD, surges in China.” [oecd.org/en/data/insights/statistical-releases/2025/03/rd-spending-growth-slows-in-oecd-surges-in-china-government-support-for-energy-and-defence-rd-rises-sharply.html](https://www.oecd.org/en/data/insights/statistical-releases/2025/03/rd-spending-growth-slows-in-oecd-surges-in-china-government-support-for-energy-and-defence-rd-rises-sharply.html).
2. The Australian Strategic Policy Institute’s Critical Tech Tracker benchmarks nations in 64 technologies and most recently found China to be leading across 57 sectors, 24 of which had a high chance of producing a tech monopoly; see [aspi.org.au/programs/critical-technology-tracker/](https://aspi.org.au/programs/critical-technology-tracker/). The U.S. Department of Defense’s *National Defense Science & Technology Strategy* recognizes the threat of China’s R&D investments to U.S. tech leadership; see U.S. Department of Defense. (2023). *National Defense Science & Technology Strategy*. <https://media.defense.gov/2023/May/09/2003218877/-1/-1/0/NDSTS-FINAL-WEB-VERSION.PDF>. For recent perspective from the Heritage Foundation, see Carafano, J. et al. (2023, Mar. 28). “Winning the New Cold War: A Plan for Countering China” *Heritage Foundation*. [heritage.org/china/report/winning-the-new-cold-war-plan-countering-china](https://www.heritage.org/china/report/winning-the-new-cold-war-plan-countering-china). For a recent report by the Information Technology & Innovation Foundation, see Atkinson, R. (2024, Sep. 16). “China Is Rapidly Becoming a Leading Innovator in Advanced Industries.” ITIF. [itif.org/publications/2024/09/16/china-is-rapidly-becoming-a-leading-innovator-in-advanced-industries/](https://itif.org/publications/2024/09/16/china-is-rapidly-becoming-a-leading-innovator-in-advanced-industries/).
3. For the list of 31 Tech Hubs designees made in 2023, see: [eda.gov/funding/programs/regional-technology-and-innovation-hubs/2023](https://eda.gov/funding/programs/regional-technology-and-innovation-hubs/2023).
4. For the July 2024 announcement of 12 designated Tech Hubs that received implementation awards, see: [eda.gov/news/press-release/2024/07/02/biden-harris-administration-announces-next-funding-round-504-million](https://eda.gov/news/press-release/2024/07/02/biden-harris-administration-announces-next-funding-round-504-million).
5. Information about the entities partnering with the 31 designated Tech Hubs is from an EDA release on Apr. 23, 2024: “Tech Hubs Submit Blueprints for Strengthening Critical Industries of the Future.” [eda.gov/news/blog/2024/04/23/tech-hubs-submit-blueprints-strengthening-critical-industries-future](https://eda.gov/news/blog/2024/04/23/tech-hubs-submit-blueprints-strengthening-critical-industries-future).
6. For more on the Civica facility and Virginia investment, see this Aug. 7, 2025 announcement from project partner Breakthrough T1D: [breakthrought1d.org/for-the-media/press-releases/governor-glenn-youngkin-announces-3-million-grant-to-support-civicas-affordable-insulin-programs/](https://breakthrought1d.org/for-the-media/press-releases/governor-glenn-youngkin-announces-3-million-grant-to-support-civicas-affordable-insulin-programs/).
7. These projects are discussed in the 2024 *Kansas City Regional Life Sciences Census*: [bionexuskc.org/reports](https://bionexuskc.org/reports)
8. Zaugg Timber Solutions (ZTS) is investing \$120 million in its Port of Portland facility, and the University of Oregon has a \$20 million commitment for its space. For a dive into the ZTS project as of Jun. 11, 2025: [portofportland.com/Newsroom/port-announces-partnership-with-zts-on-new-mass-timber-factory-boosting-jobs-and-modular-housing-construction-for-the-region](https://portofportland.com/Newsroom/port-announces-partnership-with-zts-on-new-mass-timber-factory-boosting-jobs-and-modular-housing-construction-for-the-region).
9. For the EDA-DOD partnership announcement on Sep. 16, 2024, see “EDA, DIU Codify Partnership for Innovation, National Security, and Economic Growth.” [eda.gov/news/press-release/2024/09/16/economic-development-administration-defense-innovation-unit-codify](https://eda.gov/news/press-release/2024/09/16/economic-development-administration-defense-innovation-unit-codify).