2026 SEMI U.S. POLICY STRATEGY

SECURING THE SEMICONDUCTOR SUPPLY CHAIN TO ENABLE AMERICAN AI LEADERSHIP

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Executive Summary

The semiconductor industry continues to serve as the foundation of U.S. technological innovation and economic growth, and it has entered its most decisive phase yet. As geopolitical competition intensifies and policy frameworks evolve, 2026 will push the United States to sustain its leadership in semiconductor design, manufacturing, and innovation amid growing alliances and accelerating competition in artificial intelligence (AI), quantum, and advanced manufacturing.

SEMI's goal is to continue serving as a trusted and constructive partner to the U.S. government representing the full semiconductor supply chain. This strategy represents what SEMI members stand for and where we are putting our energy in 2026. Building on the progress of the CHIPS and Science Act (Pub. L. 117-167) and ongoing Administration and congressional initiatives, SEMI's 2026 U.S. Policy Strategy highlights policies that strengthen U.S. competitiveness, expand global market access, and enable innovation across the full semiconductor ecosystem.

The United States has led the global semiconductor industry by pioneering advancements in chip design, fabrication, equipment, and research. Today, rebuilding a robust domestic semiconductor supply chain has emerged as both a national security imperative and a significant economic growth opportunity. Success depends on timely incentives, clarity around program requirements, and alignment across agencies and with U.S. allies.

SEMI members believe effective policymaking is strengthened by early and meaningful engagement with industry. Providing opportunities for formal and informal technical input before new rules, guidance, or interpretive policies are issued improves outcomes, reduces unintended consequences, and ensures policies reflect operational realities across a highly integrated global supply chain. SEMI is focused on investing advocacy power in practical, coordinated, and industry-informed solutions that secure the supply chain.

SEMI´s Top Policy Priorities for 2026

1. Promote a balanced trade policy that preserves market access and avoids overlapping tariffs on the same product, as well as narrowly tailored, coordinated export controls to protect national security without harming U.S. competitiveness.

2. Establish a national workforce pipeline aligned with federal, state, and industry programs to meet critical talent needs.

3. Invest in long-term tax and research and development (R&D) incentives to sustain semiconductor investments.

4. Continued implementation of the CHIPS and Science Act and related programs and develop a forward-looking initiative or roadmap to continue the industry's momentum.

5. Support pragmatic policies that balance environmental goals with innovation.

Introduction

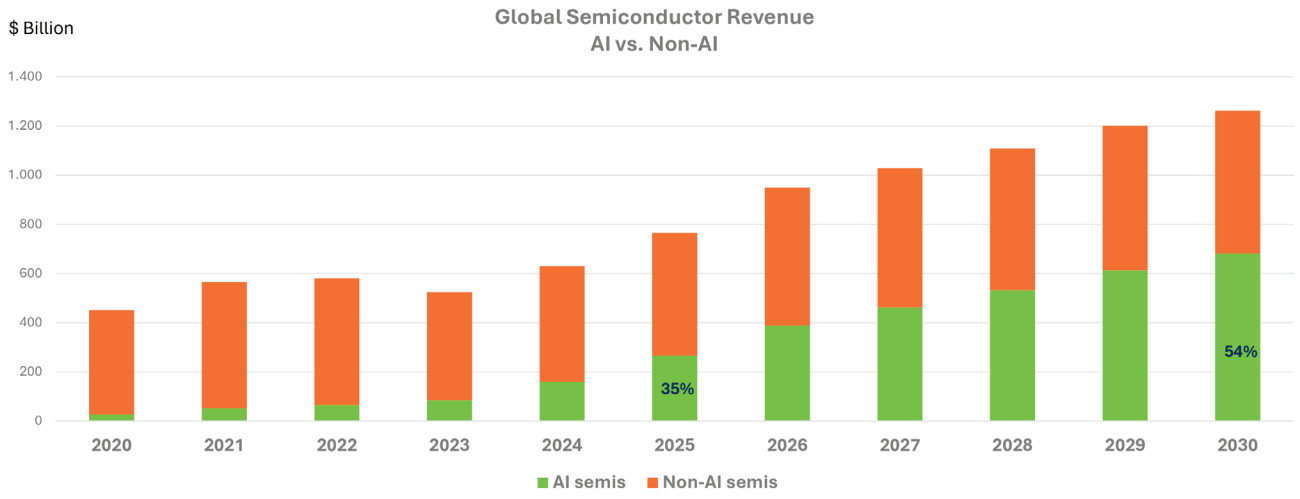
The semiconductor industry underpins every facet of the modern economy, from AI and cloud computing to defense and medical devices. Bolstering U.S. leadership in semiconductor manufacturing represents a chance to capture tremendous economic value of a global industry that is projected to exceed $1 trillion by 2030. U.S. semiconductor leadership has always depended on innovation, open markets, and collaboration across global supply chains. Complex trade dynamics, evolving export controls, and global subsidy races continue to test the industry's resilience.

Founded in 1970, SEMI is the leading industry association representing over 650 domestically headquartered companies and over 2,000 affiliates with a substantial footprint in the United States across the entire electronics design and manufacturing value chain. SEMI membership includes chip designers, equipment manufacturers, materials and subcomponent suppliers, integrated device manufacturers, software tool developers, fabless companies, and hyperscalers. While SEMI's membership includes large multinational corporations, more than 85 percent of members are small- and medium-sized companies. Collectively, these companies form the backbone of the $2.5 trillion global electronics industry, which supports over 350,000 high-skill, high-wage jobs in the United States.

The 2026 SEMI U.S. Policy Strategy builds upon the industry's momentum in 2025 to ensure stable, predictable, and forward-looking policy that strengthens the U.S. semiconductor ecosystem and enhances its capacity to compete globally.

AI Semiconductor Surge: A $1T+ Market by 2027

2020–2030 Revenue Trajectory and Segment Shifts



Sources: WSTS, Morgan Stanley, SEMI estimate 1Q 2026

The global semiconductor industry is now projected to surpass $1 trillion in revenue in 2027, strongly driven by semiconductors for AI applications that are projected to grow from 35% of total revenue in 2025 to 54% by 2030.

Policy Priorities

Trade and Tariff Policy

Semiconductor manufacturing relies on an exceptionally complex global supply chain that spans dozens of countries before a finished chip is produced. Highly specialized materials, equipment, and components must be sourced from multiple regions, and each link in the chain depends on the efficient flow of goods and stable trade conditions to prevent disruptions. Tariff volatility, overlapping trade reviews, and shifting regulatory policies can generate uncertainty that quickly reverberates throughout the ecosystem. These challenges have already increased costs and slowed production, delaying major investments supported by the Administration and Congress. A balanced trade framework that safeguards access to critical inputs serves the national interest. America's leadership in semiconductors depends on trade policies that preserve supply chains essential to sustaining and expanding U.S. manufacturing.

SEMI members believe the United States should pursue trade policies that strengthen its industrial base. Targeted trade actions that deter unfair practices can coexist with openness that enables American companies to compete globally. When such measures become overly broad or duplicative, they can lead to higher compliance costs, lost contracts, and slow the manufacturing growth the Administration intends to advance. Strategic exemptions and allied coordination are not concessions, rather, they are enablers of U.S. competitiveness.

Key Policy Objectives

- Advocate for clear, targeted trade policies that preserve market access, particularly for small and medium sized businesses, and support the growth of the U.S. semiconductor ecosystem and export competitiveness.
- Allow industry time to adjust to new trade measures through phased in implementation.
- Support targeted relief from trade actions to ensure critical inputs and materials are excluded from such actions, including specialized inputs supplied by U.S. allies and partners that cannot feasibly relocate to the United States.
- Advance the Administration's reshoring objectives through offsets for companies making substantial U.S. investments.
- Support the Administration's American AI Exports Program to expand global opportunities for U.S. firms.
- Promote the development of clear and transparent methods for trade compliance, including simplified approaches for calculating tariff duties.
- Advance cooperation with allies on sourcing, processing, and traceability of critical minerals and other essential inputs to strengthen supply chain resilience.

Conclusion

Effective trade policy should strengthen America's industrial capacity. Predictable and transparent trade policies give companies the confidence to invest in long-term projects, hire workers, and source materials responsibly. Coordinating tariff measures with allies helps prevent unnecessary disruption to shared supply chains while preserving the tools needed to ensure fair competition. SEMI continues to advocate for trade policies that enable the semiconductor industry to build, export, and innovate from a position of strength in the United States. A balanced trade framework enhances U.S. semiconductor competitiveness, supports domestic investment, and promotes industry growth while safeguarding national security interests.

Export Controls and Allied Coordination

Export controls coordinated with industry and multilateral in their approach are essential to protect national security. To be effective, such controls must be targeted, clearly defined, and implemented in close coordination with allies to safeguard U.S. technological leadership and global competitiveness. The semiconductor industry is among the most globally integrated sectors, with components and expertise moving across borders every day. Rules and regulations that fail to distinguish between sensitive technologies and those with wide foreign availability risk undermining global competitiveness for U.S. firms and weakening supply chain interdependence among trusted partners. SEMI supports a focused, risk-based approach to export controls that protects what matters most while enabling trade to continue.

The importance of regulatory harmonization, both to achieve a level playing field and promote effectiveness of the controls, cannot be understated. The United States cannot afford to act in isolation when key elements of the semiconductor ecosystem reside in allied nations. Fragmented or unilateral approaches can lead to uneven application of rules, strained relationships among allies, and create loopholes through which adversaries can undermine U.S. national security objectives and distort global supply chains. The effectiveness of export controls depends equally on coordination with allies and partners and ensuring parity to protect global security. Aligning export control regimes, sharing compliance resources focused on strategic trade implementation and advancing collaboration through synchronized export control policies strengthen collective security while preventing unintended harm to U.S. industry. SEMI advocates for an export control framework that safeguards national security and deepens cooperation among partners to ensure the long-term strength of the global semiconductor ecosystem.

Key Policy Objectives

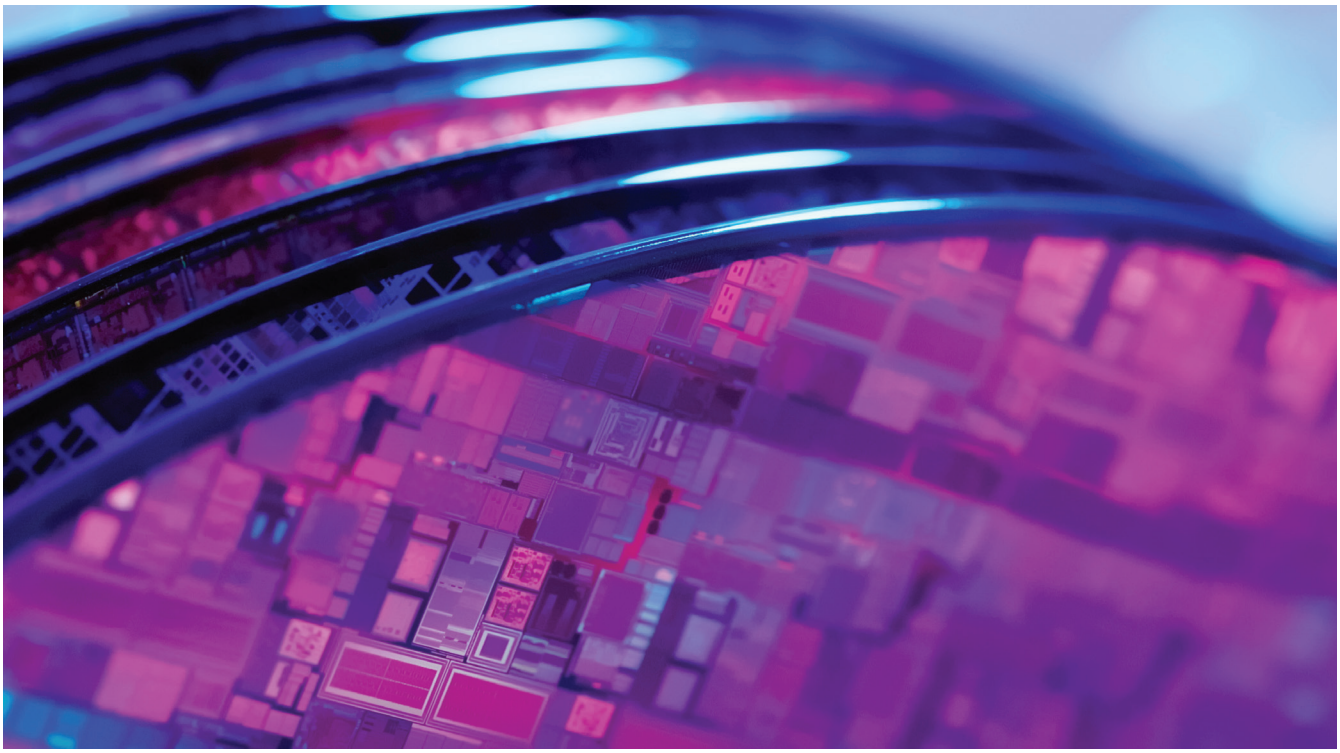
- Support targeted export controls, informed by business realities of the global semiconductor industry, that protect national security without undermining U.S. competitiveness.
- Refine the Foreign Direct Product Rules (FDPR) to focus on truly sensitive technologies, rather than those with broad foreign availability, strengthening U.S. global competitiveness and preventing market share loss.
- Urge the Administration to provide a transparent, predictable, and timely review process for export licenses. Emphasize adherence to timelines under the Export Control Reform Act (Pub. L. 115-232) to reduce licensing backlogs and prevent unintended economic costs to U.S. companies from delayed decisions.
- Support the use of metrics and periodic reassessments to ensure export controls remain effective, and advocate for increased funding for BIS modernization.
- Encourage the Administration to align export controls and licensing frameworks with allies and partners through ongoing dialogue to prevent unilateral actions that disadvantage U.S. companies and weaken competitiveness.
- Support the reestablishment of Technical Advisory Committees (TACs) and the inclusion of representatives from the semiconductor ecosystem to provide input on semiconductor technologies, supply chains, and commercial realities.
- Promote robust interagency coordination among the Departments of Commerce, the Treasury, and State, and the Office of the U.S. Trade Representative (USTR) to ensure export control policies are aligned and strategically implemented.

Conclusion

A balanced export control framework secures U.S. innovation. When the United States acts in concert with allies, it can defend shared security interests without fragmenting the global semiconductor supply chain. SEMI members depend on consistent policies that enable compliance without forcing disengagement from global markets. SEMI members believe precision, coordination, and accountability are the hallmarks of effective export control policy. Alignment with allied nations' export controls will protect national security while sustaining the competitiveness of U.S. semiconductor suppliers globally. .

Tax Policy and Investment Incentives

Tax incentives remain the single most effective policy lever for driving semiconductor investment at scale. Fabrication and advanced packaging facilities are multi-year undertakings; their financing depends on predictability. When incentives are extended and expanded across the semiconductor value chain, companies can commit capital with confidence. When incentives expire or unexpectedly fluctuate, projects stall and the risk of investment flowing elsewhere increases. SEMI's advocacy centers on preserving certainty and ensuring the entire supply chain benefits from the same level of policy support. Incentives must include upstream suppliers because overlooking the inputs that sustain the semiconductor ecosystem weakens the whole supply chain and limits the United States's ability to achieve lasting technological leadership.



2026 is pivotal as many key incentives are approaching expiration and the global subsidy environment is intensifying. Extending the CHIPS Advanced Manufacturing Investment Credit (AMIC) and expanding eligibility for it to upstream suppliers are essential steps to developing a stronger, broader, and more resilient semiconductor ecosystem. Tax stability goes beyond relieving cost because it is a signal that the United States intends to remain a reliable location for production. SEMI's positions in this area reflect both industry necessity and national interest. A competitive tax framework would reward innovation and lock the next generation of semiconductor production onto U.S. soil.

Key Policy Objectives

- Extend the AMIC beyond 2026 and maintain a sufficiently robust credit level to match or exceed incentives offered by other leading economies to give U.S. manufacturers a competitive edge.
- Expand eligibility to cover design, materials and component suppliers, and packaging facilities to ensure support for a complete domestic supply chain.
- Target R&D tax credits to drive next-generation chip innovation (e.g., AI, quantum).
- Align OECD Pillar 2 implementation with U.S. minimum tax law to maintain parity for U.S.-based firms.
- Support double and bilateral tax relief through the U.S.-Taiwan Expedited Double-Tax Relief Act (H.R. 33).

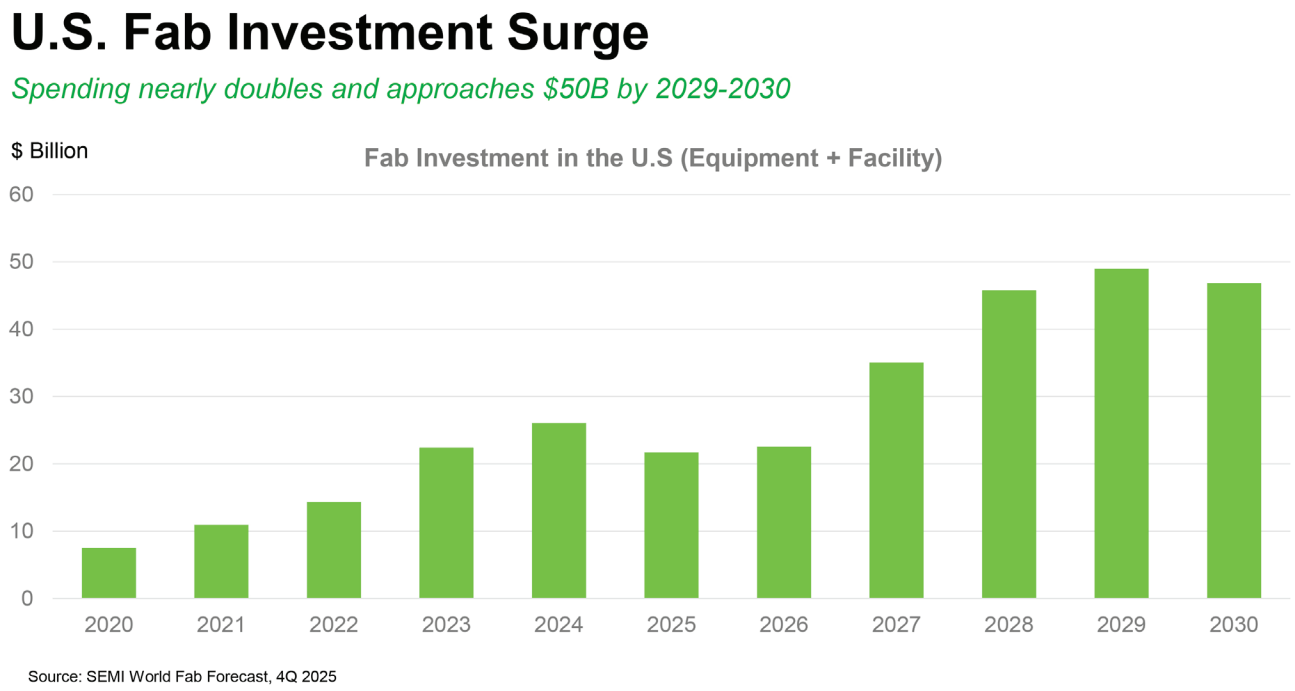
Conclusion

Long-term tax stability is the foundation of long-term leadership. Extending and broadening existing credits will allow companies to plan decades ahead, deepen domestic capability, and expand high-wage employment. SEMI members believe tax policy should reinforce the strategic objective of keeping the semiconductor supply chain competitive and in the United States for decades to come.

CHIPS Act Implementation and Beyond

The CHIPS and Science Act remains the cornerstone of U.S. semiconductor resurgence. Its success now hinges on execution, specifically, whether funding is delivered efficiently, equitably to different sized companies, and with the clarity needed for companies to proceed confidently. This includes consistent, predictable treatment of intellectual property (IP) and profit-sharing provisions because they directly affect investment decisions. Administrative delays or shifting priorities risk eroding the momentum of the domestic semiconductor industry's growth. SEMI continues to advocate for transparent, timely, and industry-informed implementation that accelerates investment.

The next phase of CHIPS must also look forward. This law does not have to be a one-time intervention, instead, it should be treated as the basis for a durable, bipartisan framework for U.S. semiconductor leadership. This means establishing a predictable funding cadence, ensuring innovators can access opportunities, and coordinating R&D programs that advance both commercial competitiveness and national security.



Total annual U.S. fab spending—on equipment plus construction of facilities—is doubling from early-2020s levels to over $20 billion from 2023 to 2026 and is projected to approach $50 billion by the 2028–2030 timeframe.

Key Policy Objectives

- Support accelerating disbursement of CHIPS funds to maintain project momentum.
- SEMI encourages the adoption of additional measures to facilitate the promotion and growth of the U.S. semiconductor industry and to increase demand for domestically produced semiconductors.
- Increase engagement with the Department of Commerce on administering incentives already authorized, including around $11 billion of CHIPS R&D funding, as well as sub-$300 million opportunities.
- Promote greater clarity and predictability in how IP and profit-sharing considerations are treated in CHIPS Act awards and ensure any such provisions are applied in a manner that preserves private sector incentives.

Conclusion

The CHIPS and Science Act represents a generational commitment to restoring America's leadership in advanced manufacturing. SEMI's advocacy ensures that every dollar authorized translates into tangible capacity, innovation, and good jobs so that the U.S. semiconductor resurgence becomes a long-term competitive advantage..

Supply Chain Resilience

Resilience is the ability to withstand disruption without compromising innovation. The semiconductor supply chain's global reach makes it uniquely vulnerable to geopolitical, environmental, and logistical shocks. Strengthening domestic capacity in materials and packaging while maintaining open trade with ally and partner nations is the surest way to secure both national and economic security. The semiconductor industry provides the essential hardware foundation for AI advancement, making supply chain resilience critical for maintaining U.S. leadership in AI development and deployment.

SEMI's priorities for 2026 view resilience as a shared responsibility between industry and government. Federal investment should complement private initiatives and fill strategic gaps in areas where market incentives alone fall short. For example, environmental regulations that treat all industrial inputs uniformly risk cutting off essential materials without viable alternatives. Funding research into per- and polyfluoroalkyl (PFAS) substances and new chemistries to serve as alternatives provides an opportunity to protect the semiconductor supply chain. Federal-state alignment and timely Environmental Protection Agency (EPA) processes are essential to avoid a patchwork of conflicting standards that burden producers and slow deployment. Collaboration with the Department of Commerce and the U.S. Patent and Trademark Office (USPTO) ensures that regulatory efficiency matches investment speed. SEMI advocates for a supply chain that is diverse, transparent, and adaptable so to enable innovation under any conditions.

Key Policy Objectives

- Expand federal funding for emerging supply chain resilience initiatives, including for rapidly scaling technologies.
- Establish secure material sourcing agreements with trusted partners; support legislation aimed at increasing rare earth and critical mineral processing capabilities in the United States and among allied nations.
- Increase U.S. federal investment in advanced packaging, photonics, and testing facilities.
- Advance adoption of the cybersecurity framework specific to the semiconductor industry to strengthen supply chain security and align with global standards.
- Develop government insight into supply chain vulnerabilities that can be shared with the private sector to inform company activity.
- Ensure PFAS regulations allow for the continued essential use of chemicals in semiconductor production and in related manufacturing equipment and materials.
- Promote federal-state alignment to prevent fragmented regulatory rules.
- Encourage EPA's timely review of new chemistries because authorizations impact the industry's supply chain.

Conclusion

A resilient semiconductor supply chain ensures U.S. innovation will not be held hostage by global shocks. Investing in redundancy where it matters and efficiency where it counts can allow policymakers to secure the industry's foundation for decades. In addition, the semiconductor industry's ability to innovate toward safer chemistries and lower emissions is one of its defining advantages. SEMI's advocacy aims to bridge public and private insights to keep the supply chain strong, diverse, and prepared for the growing demand.

Workforce Development

The semiconductor industry's current and anticipated workforce shortage is a constraint on national competitiveness. Every new fab, R&D center, and supplier facility requires engineers and technicians that the current labor pool cannot yet provide. Addressing this challenge requires coordinated investment in expanding education, modernizing immigration, and aligning academia and industry training toward a national pipeline.

SEMI views workforce development as both a domestic and global imperative. The United States must retain its top graduates and attract specialized talent while creating accessible, high-paying careers for American workers. Partnerships between government, industry, and educational institutions can align training programs with the realities of semiconductor manufacturing. The SEMI Foundation's initiatives and federal partnerships embody this commitment to practical, scalable workforce solutions.

Key Policy Objectives

- Seek clarity on updates to the H-1B visa system, especially for small- and medium-sized companies' compliance purposes.
- Educate policymakers on the industry's workforce needs and advocate to raise visa and green card caps while maintaining the lottery system.
- Provide technical assistance on visa pathways for the semiconductor industry.
- Oppose efforts that will make it difficult to hire U.S.-trained international students.
- Expand federal and state funding for technical colleges, apprenticeships, and K-12 STEM programs.
- Support the SEMI Foundation and National Network for Microelectronics Education (NNME) partnership for the Administration's America's Talent Strategy and AI Action Plan.
- Establish a national semiconductor workforce pipeline integrating trade schools, non-traditional education, and linkages for higher education, training, and industry.

Conclusion

Talent is infrastructure for the semiconductor industry. Expanding training pathways, retaining international graduates, and aligning federal funding with industry needs will determine whether U.S. fabs and R&D centers reach their potential. SEMI continues to make workforce development a top advocacy priority because every other policy goal depends on it to ensure the U.S. manufacturing capacity can meet industry demand.

Robust R&D as a Crosscutting Priority

Prioritizing R&D is the foundation of SEMI's policy agenda. Every major policy area outlined in this 2026 strategy for supporting the semiconductor ecosystem depends on a strong and continuous R&D pipeline. Without robust R&D, there is no innovation to commercialize and export, no workforce to train, and no manufacturing capacity to sustain. The United States currently possesses market leadership in the design, manufacturing equipment, and materials that enable semiconductor manufacturing, including the production of advanced AI chips. As AI applications proliferate across every sector of the economy, the semiconductor industry's R&D capabilities become increasingly critical to ensuring the United States maintains its competitive edge in the technologies that define the next generation of innovation. Sustaining American preeminence demands R&D that is well-funded and strongly connected to domestic production.

Congress recognized this reality in the bipartisan CHIPS and Science Act, which established a network of targeted R&D initiatives, including an $11 billion allocation focused on technology prototyping, advanced packaging, advanced manufacturing, and metrology. That same legislation also authorized $170 billion for long-term R&D activities across the National Science Foundation (NSF), National Institute of Standards and Technology (NIST), and Department of Energy (DOE). More recently, the One Big Beautiful Bill Act (Pub. L. 119-21) strengthened the tax code for innovation by allowing immediate expensing of domestic R&D investments. Collectively, these initiatives form the backbone of U.S. competitiveness in semiconductors and the advanced technologies they enable.

The Broad Agency Announcement (BAA) for distributing CHIPS Act R&D funding will help create the framework for public-private collaboration. SEMI has been actively engaged with members' chief technology officers to develop a comprehensive white paper providing industry perspective on how to maximize impact. This collaborative effort will help ensure federal R&D priorities align with industry needs and development priorities while maintaining flexibility to address emerging challenges. As implementation continues, establishing clear expectations and timelines for R&D awards remains critical for industry planning and investment

Key Policy Objectives

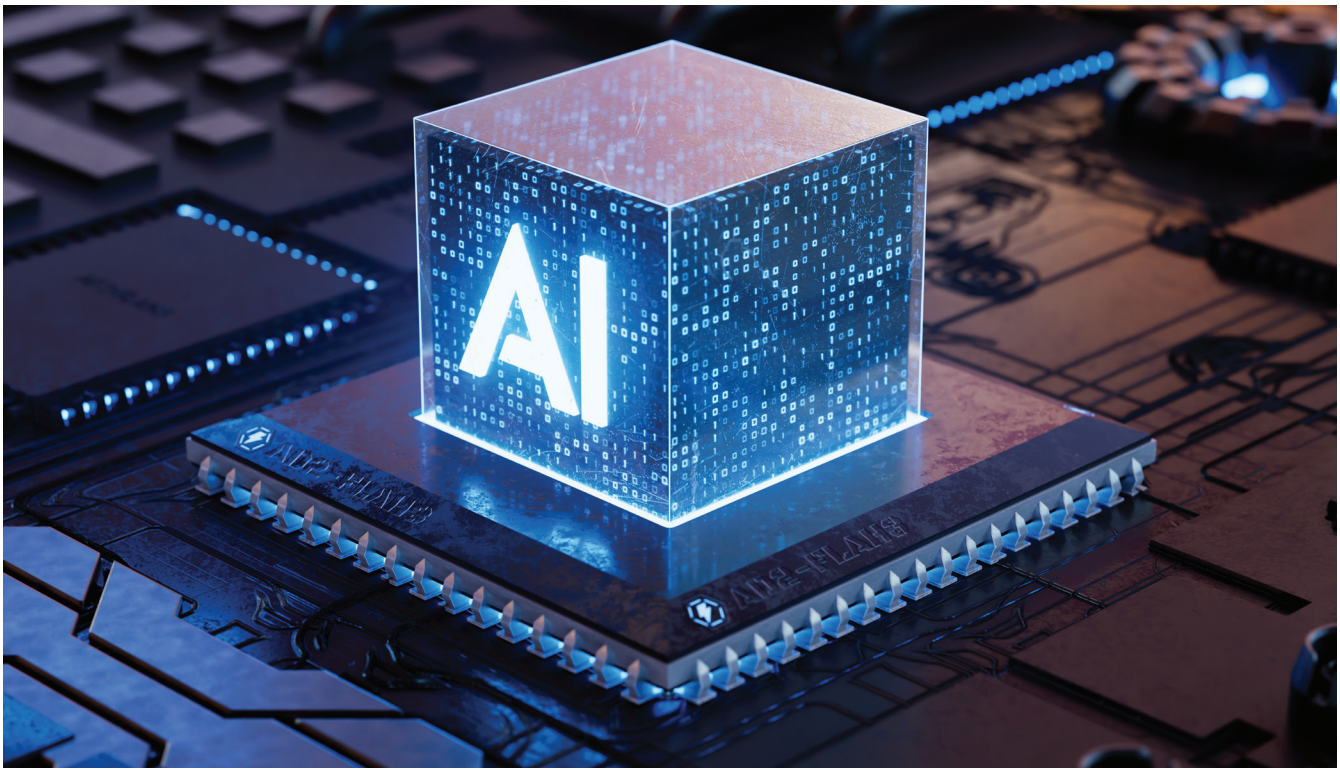
- Support consistent funding for programs within the Department of War, NSF, NIST, DOE, and other agencies, including $200 million to carry out provisions of the Microelectronics Research and Energy Innovation Act.
- Promote R&D tax credits to drive next-generation chip innovation (e.g., AI, quantum).
- Expand R&D funding for PFAS abatement and detection, and next-generation, energy efficient manufacturing materials and technologies.
- Ensure R&D programs remain aligned with the needs of domestic industry by collaborating with leading U.S. research universities to accelerate breakthroughs and avoid constrain of any innovation capacity.
- Collaborate with USPTO and Congress on any proposed patent fee model to avoid unintended consequences.
- Advocate for adequate USPTO appropriations to improve USPTO efficiency, reduce backlogs, and ensure decisions are informed by accurate technical understanding.

Conclusion

Federal investment in R&D has always been the catalyst for America's most transformative industries and semiconductors are no exception. Continued support for public-private research partnerships will determine whether the United States leads the next generation of technological advancement. Robust, coordinated R&D policy strengthens every link in the semiconductor value chain, leading to long-term technological leadership, supply chain resilience, and economic competitiveness.

The Path Forward

The United States stands at a pivotal inflection point. The foundation of industrial policy is now in place and the task ahead is disciplined execution. The 2026 SEMI U.S. Policy Strategy positions the semiconductor industry as a partner in carrying out these priorities: trade policy that preserves access to critical inputs while supporting domestic investment; export controls and licensing that are targeted, timely, and aligned with allies; tax and R&D incentives that provide long-term certainty; and CHIPS Act implementation that delivers funds with clear, predictable award terms.



The success of this agenda will define whether the U.S. semiconductor ecosystem grows stronger or risks fragmentation. A more consultative process that incorporates formal and informal technical input from industry before new rules or policies are issued will reduce unintended consequences and strengthen national security.

Through collaboration, credibility, and consistency, SEMI is advancing a vision of semiconductor leadership that benefits broader U.S. economy and national security objectives. We are investing our time, relationships, and influence to ensure Washington, DC and key U.S. states know what SEMI members stand for. The path forward is one of partnership and SEMI invites policymakers and partners to stand with SEMI members on these priorities in 2026.

Visit our website to learn more about SEMI Public Policy & Advocacy and connect with our team.
www.semi.org/en/global-advocacy