GAO Highlights

SEMICONDUCTORS

Commerce Needs Plan to Meet CHIPS for America R&D Requirements

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A report to congressional committees

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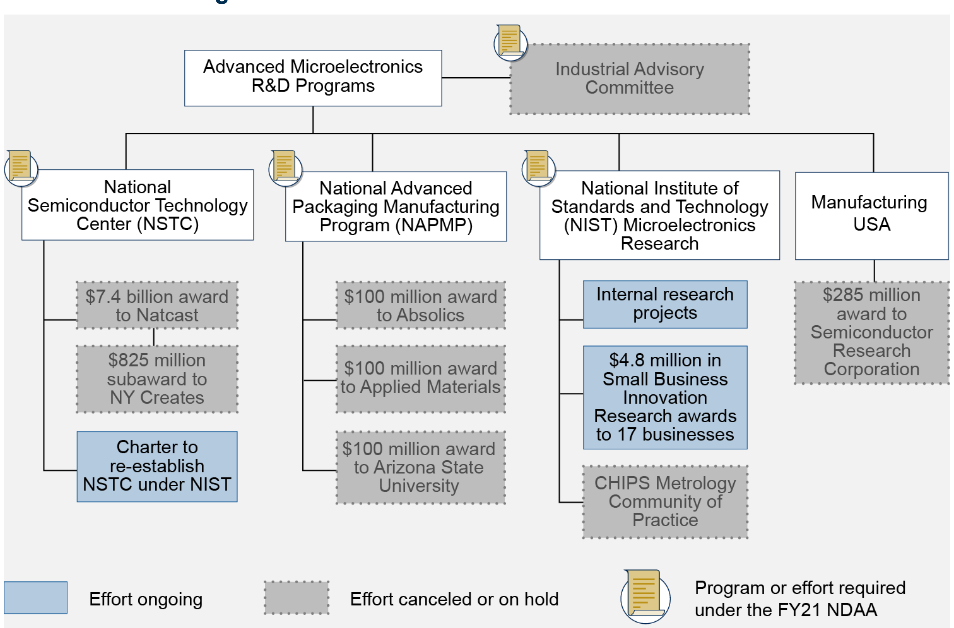
What GAO Found

The Department of Commerce has continued to implement the semiconductor facilities and equipment incentives program, and awardees have made progress on milestones. Since July 2025, Commerce has awarded nine new projects, for a total of 49 projects across 24 companies. When setting award amounts, Commerce considered new factors as compared to prior awards, such as whether the company would provide equity in exchange for funding. Commerce also amended existing awards for 14 companies. As of April 2026, awardees had completed all required milestones by their due dates, but some milestones had fallen behind anticipated schedules. Commerce has disbursed $13.1 billion to awardees—approximately 42 percent of the total $31.5 billion in direct funding.

Commerce initially established key advanced microelectronics R&D activities but later canceled awards representing $7.8 billion of the $11 billion appropriated. The agency significantly revised its approach to align with current administration priorities but did not have a plan or timeline for fully meeting statutory requirements—specifically those related to the National Semiconductor Technology Center, National Advanced Packaging Manufacturing Program (NAPMP), and Industrial Advisory Committee. For example, Commerce canceled the center's award in 2025, but its plan to reestablish the center is not sufficiently detailed to show how it will meet relevant statutory requirements. Commerce also canceled or paused NAPMP awards and has not renewed the advisory committee charter. Without a detailed plan for reestablishing these entities in line with statute, Commerce may miss opportunities to advance U.S. semiconductor technologies, leaving the U.S. reliant on other countries.

Commerce's Changes to Advanced Microelectronics R&D Activities



Source: GAO analysis of Department of Commerce documents and FY21 National Defense Authorization Act (NDAA); GAO (icons). | GAO-26-109121

Why GAO Did This Study

Semiconductors, also called chips, are small electronic devices that are critical to nearly all industries. A recent global semiconductor shortage exposed long-term risks in the supply chain.

The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (as amended, the FY21 NDAA) authorized Commerce to incentivize semiconductor facilities and equipment projects and support advanced microelectronics R&D.

The FY21 NDAA also includes a provision for GAO to issue a series of reports. This second report updates GAO's December 2025 report on the status of financial assistance awards and projects funded under the semiconductor incentives program as of June 5, 2026, and assesses the status of Commerce's efforts on the advanced microelectronics R&D programs, among other objectives.

GAO analyzed Commerce documents, including project milestone and disbursement documentation. In addition, GAO reviewed requirements in the FY21 NDAA and compared Commerce's efforts to those requirements. GAO also interviewed Commerce officials.

What GAO Recommends

GAO is making three recommendations that Commerce develop plans and timelines for how it will move forward to ensure alignment with FY21 NDAA requirements related to (1) the National Semiconductor Technology Center, (2) NAPMP, and (3) Industrial Advisory Committee. The agency should implement these recommendations within 1 year of the date of this report. Commerce agreed with the recommendations.