CSIS BRIEFS

Delays and Uncertainty in the Export Licensing Process

Findings from a CSIS Survey of U.S. Technology Exporters

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THE ISSUE

Export controls have taken on an increasingly important role in U.S. policy, particularly for advanced technologies, but U.S. firms report that license reviews administered by the Bureau of Industry and Security (BIS) are taking longer on average and providing less visibility into application status. Extended and uncertain licensing timelines affect firms operating in globally competitive and time-sensitive markets, shaping competitive outcomes where foreign suppliers operate under faster or more predictable systems. At the same time, rigorous interagency review of sensitive technology transfers, especially to countries of concern, is deeply necessary for national security. The resulting policy challenge is not whether export controls are necessary, but whether the current licensing process delivers timely, transparent, and predictable outcomes while effectively protecting sensitive dual-use technologies. This report uses new survey evidence from U.S. technology exporters to benchmark the current licensing process and its impact on U.S. firms.

INTRODUCTION

The CSIS Economics Program surveyed U.S. exporters on their recent experiences with the BIS license review process. The survey, distributed through the Semiconductor Industry Association (SIA), the Information Technology Industry Council (ITI), and Semiconductor Equipment and Materials International (SEMI), received 31 substantive responses from senior export compliance professionals at major U.S. technology and semiconductor firms. All responses are kept fully anonymous.

The results indicate that respondents are experiencing extended licensing timelines and reduced visibility into application status, with implications for U.S. competitiveness. Firms reported that review times have extended well beyond statutory guidelines, communication between BIS and applicants has broken down, and U.S. firms are losing customers and revenue to foreign competitors who do not face the same delays. This report presents detailed survey findings and corresponding policy recommendations focused on oversight, transparency, and staffing.

KEY FINDINGS

- **Review times have increased substantially.** More than half of respondents reported average license review times of over 180 days, well beyond the 90-day statutory benchmark. Nearly a third reported reviews exceeding 300 days. More than three-quarters said processing times have increased, with more than two-thirds saying they increased significantly.

- **Billions of dollars in exports are impacted.** Among respondents who disclosed, 76 percent reported more than $10 million in exports delayed by pending reviews. Several firms reported delays affecting hundreds of millions of dollars in shipments.
- **U.S. firms are losing business.** More than half of respondents reported losing business or contracts due to licensing delays. A similar share reported losing customers specifically to foreign competitors, who do not face the same uncertainty in license processing timelines.
- **BIS has become opaque and unresponsive.** Respondents reported limited insight into application status, even for applications pending for extended periods. Several stated they had engaged law firms to obtain information that used to be routinely shared.

SURVEY METHODOLOGY AND RESPONDENT PROFILE

METHODOLOGY

The CSIS Economics Program administered the survey electronically between January and March of 2026. The survey was distributed through three major industry associations: SIA, ITI, and SEMI.

The survey instrument contained six sections covering company information, licensing activity, business impact, competitive landscape, mitigation strategies, and process feedback. A total of 41 responses were recorded. Of these, 10 respondents started the survey but did not complete any section beyond the screener, leaving 31 who provided substantive answers. All percentages cited in this report use the number of valid respondents for each question as the denominator.

RESPONDENT PROFILE

To avoid multiple responses from the same company, the survey instructions requested a single response from the director of trade compliance or similar function.

Respondents also identified themselves based on the following categories:

- **Industry:** Approximately two-thirds identified as part of the semiconductor industry.
- **Company Size:** 94 percent represent large firms with more than 500 employees.
- **BIS Experience:** 77 percent reported more than 10 years navigating the BIS licensing process.
- **Compliance Capacity:** 94 percent have full-time dedicated export compliance staff.

LIMITATIONS

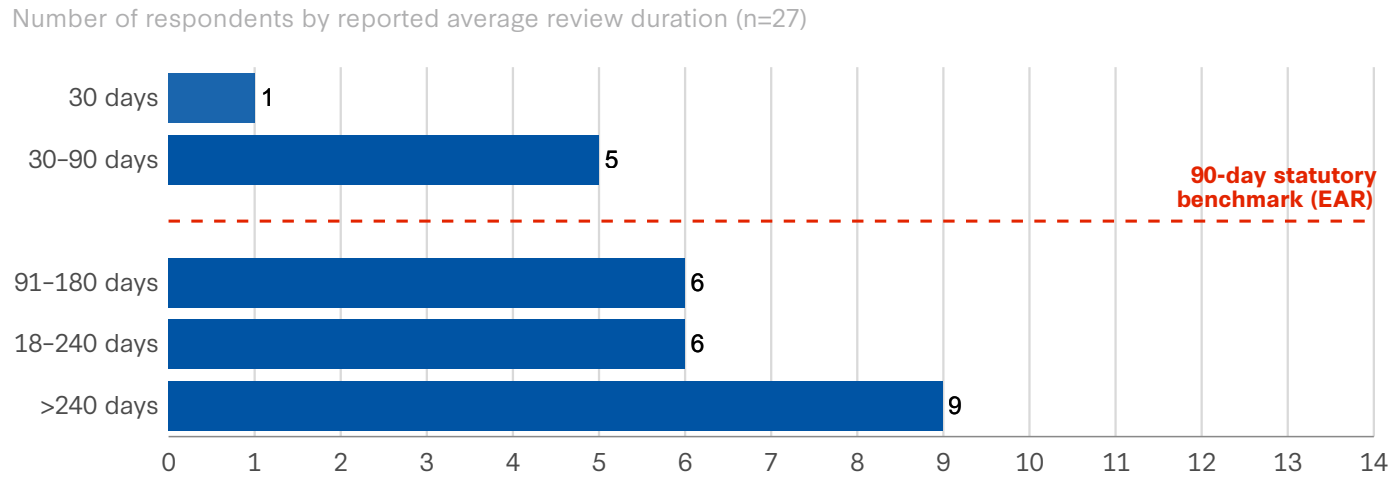
The survey was distributed through industry associations whose members have a direct interest in export licensing policy outcomes. This distribution method introduces the possibility of self-selection bias, as respondents with negative experiences may have been more likely to participate. The authors have attempted to characterize this and other methodological limitations transparently:

- **Self-Selection Bias:** Firms with negative experiences may have been more likely to respond.
- **Industry Concentration:** Approximately two-thirds of respondent firms are part of the semiconductor industry. These findings may not generalize to other sectors.
- **Large-Firm Skew:** 94 percent of respondent firms have over 500 employees; small and midsize firm experiences may differ.
- **Small Sample Size:** The limited number of substantive responses (31) limits the statistical precision of this survey and precludes meaningful subgroup analysis. Additionally, due to the survey methodology, delays for licenses to countries and/or entities of concern cannot be separated from delays to allied countries.
- **Self-Reported Data:** All information is self-reported and cannot be independently verified.

LICENSE PROCESSING TIMES

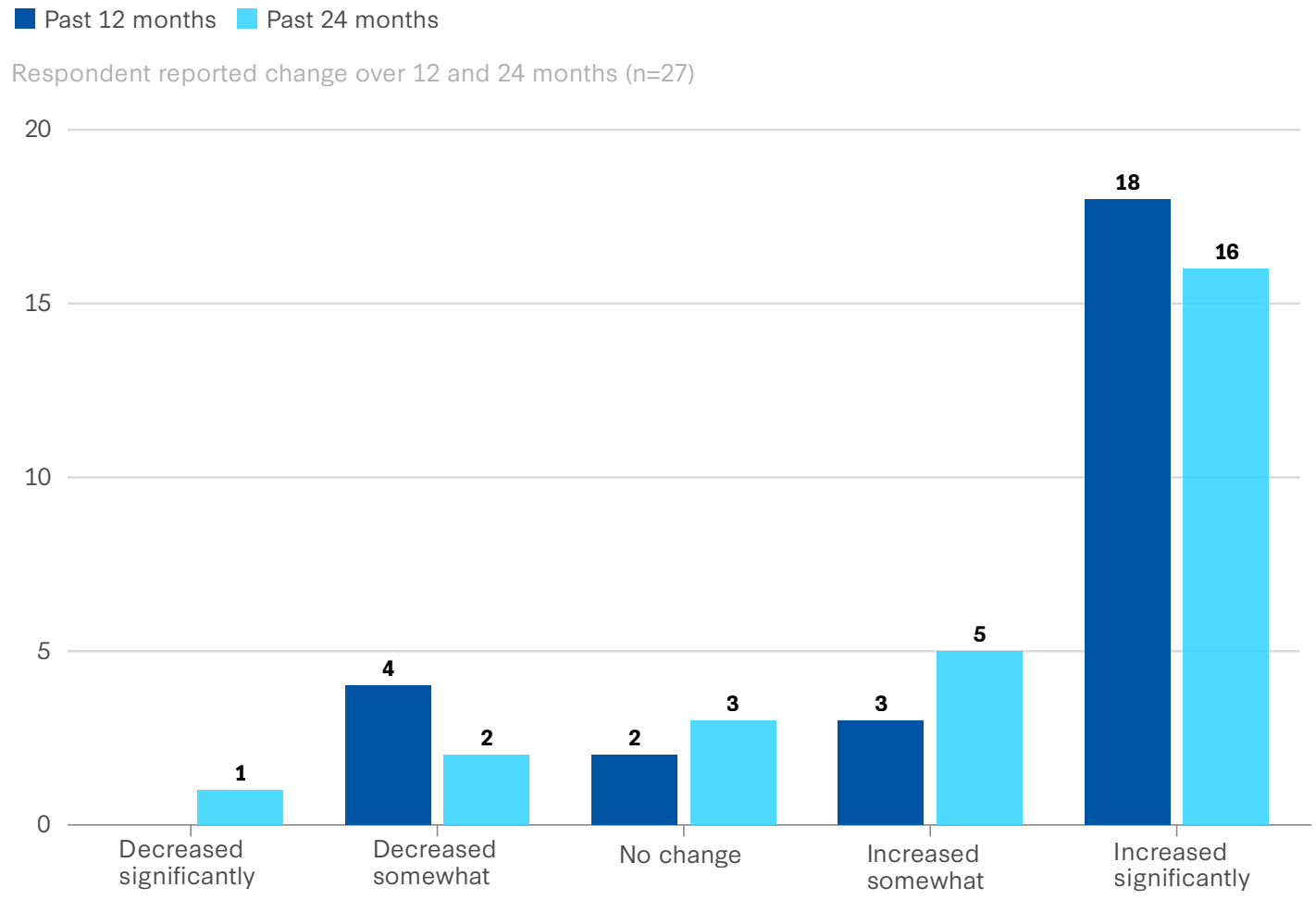
Key Finding: 56 percent of respondents reported average license review times exceeding 180 days, well beyond the 90-day statutory benchmark. 33 percent reported waits of over 300 days. In comparison, the average licensing time in 2023 was 38 days.

Figure 1: Average License Review Times Reported by Survey Respondents



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

Figure 2: Change in License Processing Times Over Past 12 and 24 Months



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

REGULATORY CONTEXT

Under the Export Administration Regulations, BIS is required to resolve or refer license applications to the president no later than 90 calendar days from when they are received. **Title 15, Section 750.4 of the Code of Federal Regulations** establishes a framework in which BIS has nine calendar days to conduct an initial review of an application, after which it may be referred to other agencies. Referred agencies then have 30 days to provide a recommendation. If agencies disagree, the matter is escalated to the Operating Committee and, if necessary, to the Advisory Committee on Export Policy. The clock can be stopped in only a few specified circumstances, such as while waiting for an applicant to reply to a request for more information. This framework implements the timelines in **Executive Order 12981**, which was codified by the **Export Control Reform Act of 2018**.

The BIS Annual Report for fiscal year 2023 reported an average processing time of **38 days**. The survey respondent's average processing times are dramatically longer, with the caveat that the sample is skewed toward a subset of semiconductor-related exports.

CURRENT REVIEW TIMES

- 56 percent reported average review times exceeding 180 days.
- Among the 33 percent reporting review times over 240 days, all listed average wait times between 300 and 390 days.
- Only 22 percent reported average review times within the statutory timeframe.

According to the survey, 78 percent of respondents reported that review times increased over the past 12 months, with 67 percent of all respondents describing the increase as "significant." Multiple respondents stated that applications destined for certain countries (mainly China) appear to be held at the final approval stage pending internal policy guidance from BIS leadership.

FINANCIAL AND BUSINESS IMPACT

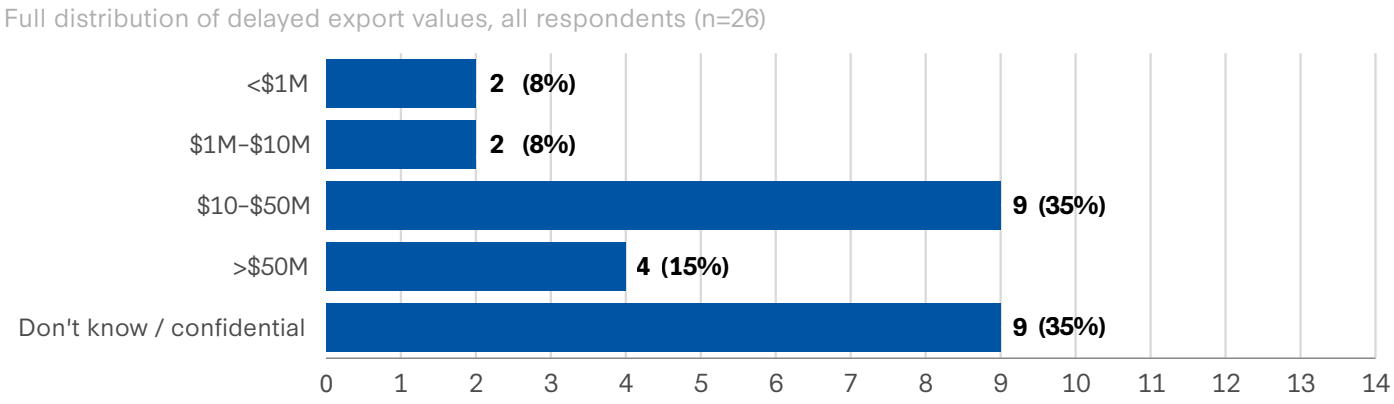
Key Finding: 76 percent of respondents reported more than $10 million in exports delayed by pending license reviews. More than half of all respondents reported losing business or contracts.

DOLLAR VALUE OF DELAYED EXPORTS

Among the respondents who disclosed the dollar value of delayed exports:

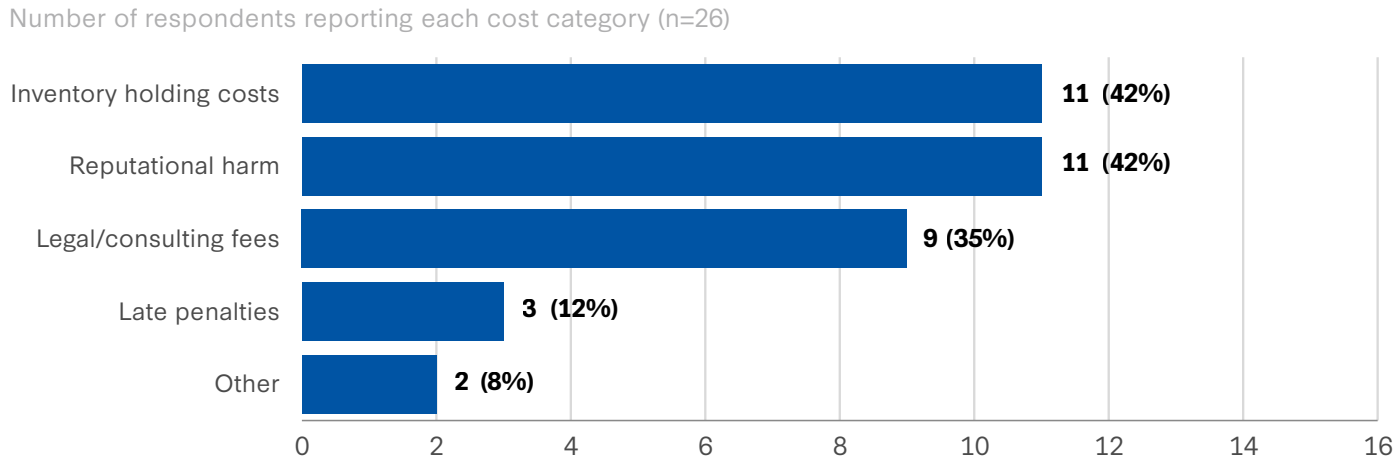
- 76 percent reported more than $10 million in delayed exports.
- 24 percent reported more than $50 million, with individual figures reaching $100 million, $160 million, and $600 million. One reported $6.5 billion, an extreme outlier that may reflect total product-line exposure and could not be independently verified.
- 35 percent declined to respond, stating the information was business proprietary or unknown.

Figure 3: Dollar Value of Exports Delayed by Pending License Reviews



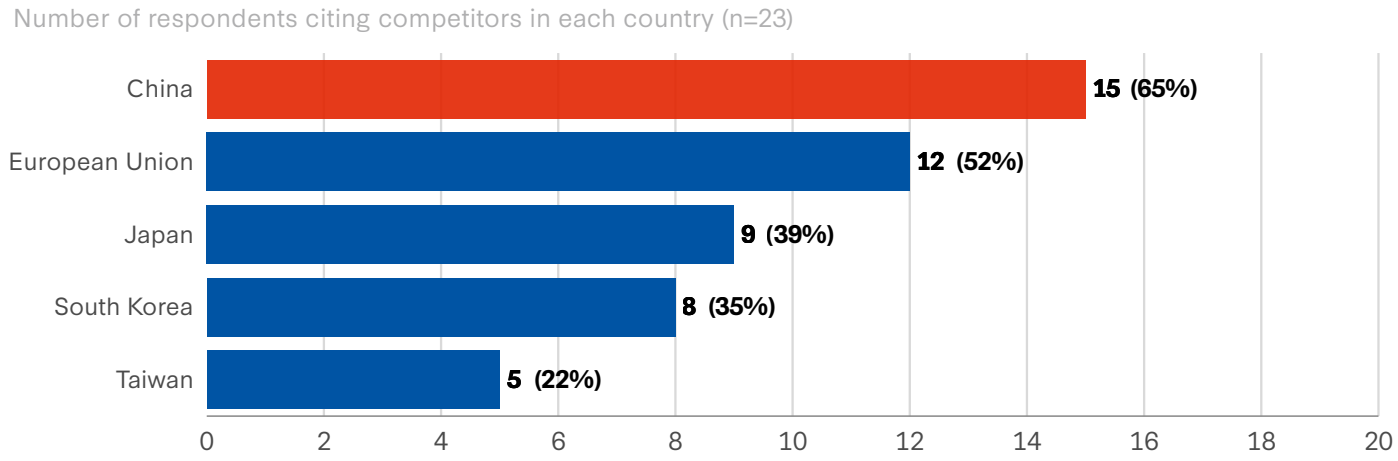
Source: CSIS Economics Program Survey, January 16–March 2, 2026.

Figure 4: Types of Costs Incurred Due to Licensing Delays



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

Figure 5: Countries Where Foreign Competitors Are Based



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

LOST BUSINESS AND REVENUE

More than half (54 percent) of respondents reported losing business or contracts as a direct result of licensing delays. Several noted they have stopped pursuing certain opportunities entirely because licensing timelines have become too unpredictable.

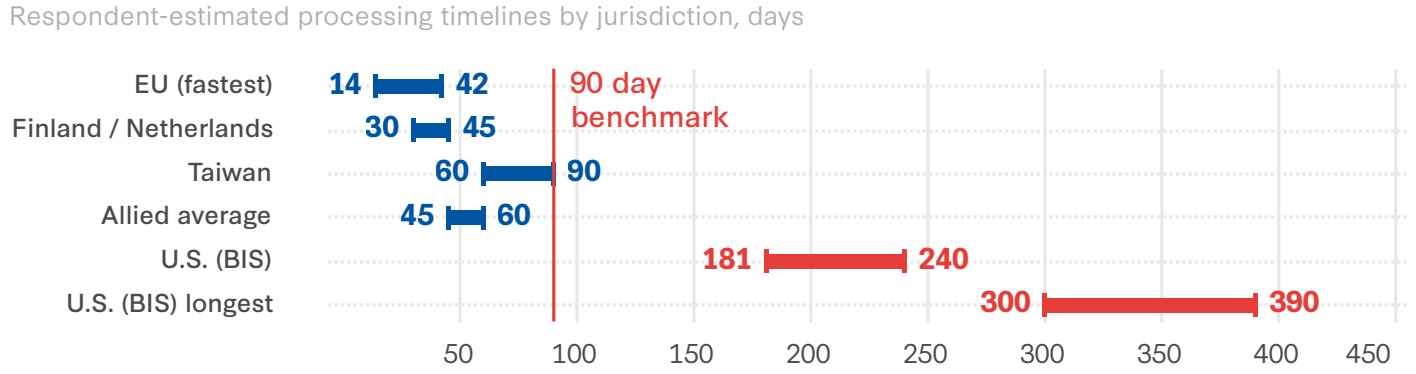
CUSTOMER RELATIONSHIP DAMAGE

The survey found that delays have damaged relationships with existing customers for 62 percent of respondents, with 27 percent describing the damage as significant. Respondents described customers actively seeking alternative suppliers not subject to U.S. licensing requirements, and multiple respondents noted that customers increasingly view U.S. firms as unreliable suppliers.

BROADER COSTS

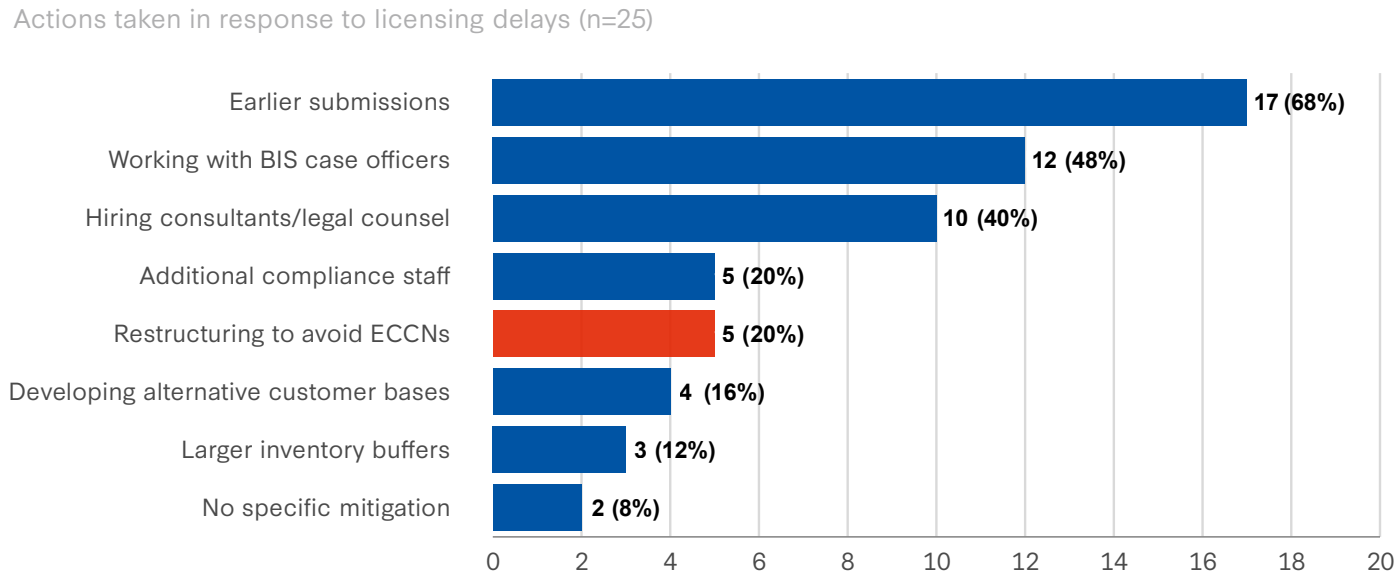
Respondents also reported incurring inventory holding costs (42 percent), reputational harm (42 percent), legal and consulting fees (35 percent), and late penalties (12 percent). Several firms reported engaging law firms with personal connections to BIS officials as a means to obtain status updates—an informal access system that disadvantages smaller firms.

Figure 6: Export License Processing Times, United States Versus Allied Nations



Note: Figures are respondent estimates.
Source: CSIS Economics Program Survey, January 16–March 2, 2026.

Figure 7: Mitigation Strategies Adopted by Firms Due to Licensing Delays



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

COMPETITIVE LANDSCAPE

Notably, 88 percent of respondents reported that international competitors produce comparable products. The most frequently cited competitor countries were China (65 percent), the European Union (52 percent), Japan (39 percent), and South Korea (35 percent).

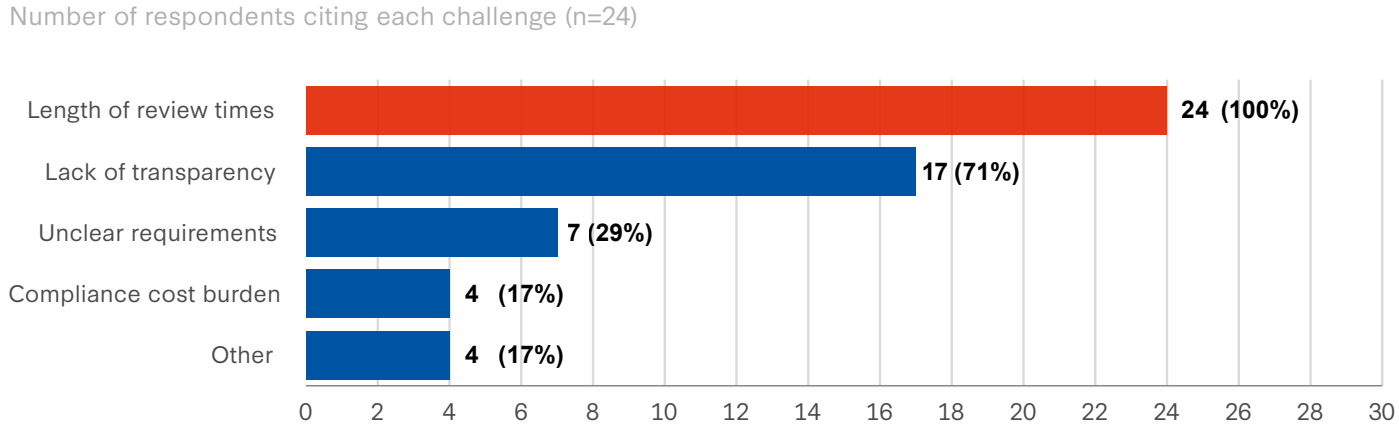
Among respondents aware of foreign licensing timelines, the reported contrast is substantial. Firms stated that most allied nations completed reviews in 60 days or fewer, compared to 6 to 12 months or longer in the United States.

When asked whether foreign competitors faced comparable controls, 43 percent said no, 39 percent said yes, and 17 percent were unsure.

HOW FIRMS ARE ADAPTING

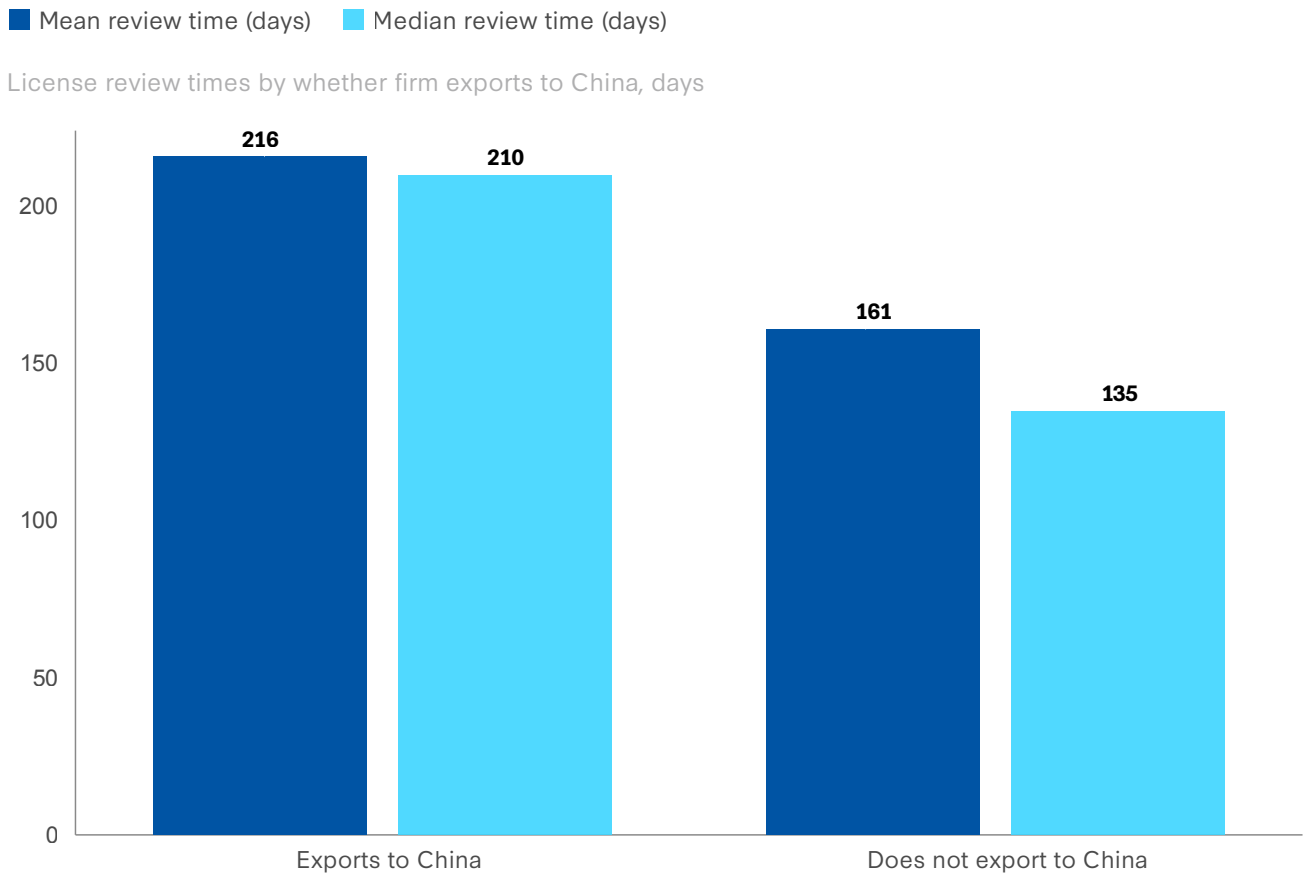
Twenty percent of respondents said they were restructuring their business operations to avoid items under certain export control classification numbers. Forty percent had hired external consultants or legal counsel to help them obtain licenses, and 85 percent said they now factor export licensing delays into their sales cycle planning.

Figure 8: Primary Challenges in the BIS Licensing Process



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

Figure 9: License Review Times by Whether Firm Exports to China



Source: CSIS Economics Program Survey, January 16–March 2, 2026.

PROCESS FEEDBACK AND TRANSPARENCY

Key Finding: 100 percent of respondents cited review length as a primary challenge, and 71 percent also cited lack of transparency as a key issue. Only 8 percent rated BIS as "very responsive" to inquiries, while 38 percent rated it as somewhat or very unresponsive.

Respondents raised specific concerns: long periods before licensing officers are assigned to applications, lack of BIS staff with sufficient semiconductor technical expertise, and particularly long delays for deemed exports. Multiple respondents described BIS as having been a model agency that has recently broken down.

THE CHINA DIMENSION

Multiple respondents indicated that China-destined licenses appear systematically held at final review pending BIS leadership policy guidance. China is a primary market for 77 percent of respondents, and 88 percent have foreign competitors—including domestic Chinese firms.

Firms listing China as a primary export market reported a median review time of 210 days, compared to 135 days for non-China exporters (n=20 and n=7, respectively). While the small sample limits statistical precision, the direction is consistent with the reported disproportionate delays for licenses to China.

Several caveats are warranted: China-destined applications may involve genuinely more complex national security considerations, and the survey did not ask respondents to compare China-destined processing times to other destinations.

That said, the pattern raises concerns: If a policy-level hold is in effect, communicating this to applicants with estimated timelines would allow firms to plan rather than wait indefinitely.

POLICY RECOMMENDATIONS

1. **Enforce statutory timelines.** The Export Administration Regulations set specific timelines, in number of calendar days, for each stage of the licensing process. It also enumerates the specific circumstances when the clock can be stopped. An oversight body could monitor adherence to these requirements through either a real-time dashboard of license status or a quarterly report, without needing access to the sensitive information within the license applications.
2. **Align BIS staffing and technical capacity with licensing demand.** Reported delays are consistent with capacity constraints within BIS, particularly given the expanded scope and complexity of export controls in advanced technology sectors. Increasing the number of licensing officers, especially those with relevant semiconductor and other emerging technology expertise, would help reduce backlogs while maintaining rigorous review quality. Greater delegation of authority to career staff for routine or low-risk cases could also allow senior leadership to focus on genuinely sensitive applications.
3. **Increase transparency and communication with applicants.** Limited visibility into application status contributes significantly to uncertainty for firms, even when a lengthy review is substantively justified. Providing automated status updates at defined milestones and offering clearer explanations for delays, particularly those related to policy holds, would reduce information asymmetries and improve planning for exporters. Publishing aggregate processing-time metrics on a regular basis would also improve accountability and set expectations for both policymakers and industry stakeholders. Further investments in modernized IT systems for case tracking, workflow management, and automated applicant notifications would help improve throughput and transparency.
4. **Revitalize industry engagement.** Regular structured engagement with industry can help identify emerging bottlenecks and improve mutual understanding of policy intent and operational realities. Reinvigorating Technical Advisory Committees, establishing formal feedback channels on licensing performance, and communicating anticipated policy shifts would improve trust and reduce uncertainty. Such engagement is particularly important in fast-moving technology sectors where licensing delays can quickly translate into lost market share.

CONCLUSION

Improving the predictability, transparency, and administrative performance of the licensing process would strengthen both the effectiveness of export controls and the ability of U.S. firms to compete in global technology markets. The survey findings paint a picture of an agency under strain, with real-world consequences for U.S. industry. The challenges appear primarily administrative in nature and therefore resolvable within existing authorities. Relatively simple process and staffing changes could meaningfully change the trajectory and improve the effectiveness of export controls as a national security policy instrument. ■

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