The FCC's 2026 Covered List Regime Would Cost American Business $7.7 Billion.

$4.3 Billion is Avoidable.

POLICY BRIEF

BACKGROUND

Since late 2025, the FCC has dramatically expanded its Covered List regime beyond blocking equipment from specifically identified national security threats, such as Huawei and ZTE. It now restricts entire product categories based on where they are manufactured, including routers, drones, advanced robotics, and power inverters, even when products are made in allied and other non-adversary countries. Additional supply-chain information, product testing, and online sales requirements are also under consideration.

THE REGIME NOW HAS THREE PARTS:

1. **New restrictions on devices and online sales:** Devices containing certain components from Covered List companies can no longer be authorized, and online marketplaces and their sellers must display and verify FCC IDs, creating new liability for both.
2. **New country-of-production restrictions:** Routers, drones, power inverters, and advanced robots can now be restricted simply because they are produced outside the U.S., even when they are made by companies in allied or other non-adversary countries.
3. **Additional rules under consideration:** The FCC is considering new supply-chain disclosure requirements, restrictions on imported products used for U.S. research and testing, and other new compliance obligations.

The Result: $7.7 billion in estimated costs to U.S. businesses over five years, $4.3 billion of which could be avoided without permitting production in adversary countries.

WHAT EACH ELEMENT COSTS: FIVE-YEAR PRESENT VALUE, CENTRAL CASE

$814 million	New requirements for equipment and online marketplace compliance
$4.4 billion	Domestic Production location requirements for routers, drones, power inverters, and advanced robots
$2.4 billion	Additional rules the FCC is considering would add new supply-chain reporting, product certification, testing, and other compliance costs
$7.7 billion	**Total all-in costs over five years.**

$4.3 BILLION IS AVOIDABLE. This is the cost of requiring U.S.-only production rather than barring production in listed adversary countries.

THE COSTS TO CRITICAL U.S. TECHNOLOGIES

New production restrictions raise sourcing costs and complicate supply chains for a growing U.S. industry.

Domestic-only requirements can increase costs and put U.S. firms at a disadvantage to foreign competitors.

Restrictions on non-adversary-country production can raise costs by $4.3 billion without a demonstrated additional security benefit.

Routine hardware changes now need case-by-case FCC waivers; Office of Engineering and Technology granted three in two months to keep broadband gear shipping.

ADDITIONAL IMPACTS

- **10-60% estimated onshoring premium** leads to higher prices on everyday goods for consumers.
- **$28M/yr in lost sales** from unverifiable listings and fewer goods on store shelves.
- **4 to 12 weeks potential delay** for some router security updates; runs counter to the supposed justification for these policies, which is enhancing cybersecurity.

> ***Full study, methodology, and sources:*** *ccianet.org/research/reports/the-supply-chain-costs-of-the-fccs-2026-covered-list-regime*