U.S. Rep. Gallagher: China Task Force calls on admin to crack down on sharing critical U.S. tech with China

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WASHINGTON, D.C. – As first reported by the [Wall Street Journal](#), Rep. Mike Gallagher (R-WI) joined Rep. Michael McCaul (R-TX) and other members of the China Task Force in calling on Commerce Secretary Gina Raimondo to address several urgent shortcomings in U.S. export control policy in relation to China. In a letter to the Secretary, the members highlighted how the Chinese Communist Party's (CCP) recent hypersonics test should serve as a call to action and outlined ten steps the Secretary can take to help ensure U.S. technology does not support the CCP's malign activities.

In part, the members wrote, "Reports that the PRC has tested a nuclear-capable hypersonic missile is a chilling display of Chinese Communist Party (CCP) capabilities and intentions. To make matters worse, it is likely that U.S. software and tools contributed to the creation of this weapons system, because of our country's permissive export controls and licensing policies with China. If this is not the clarion call to overhaul export controls and our technology and research collaboration with the PRC and its Military-Civil Fusion strategy, liberal democracies may cede more ground to a genocidal, authoritarian regime."

The full text of the letter can be found [here](#) and below.

Dear Secretary Raimondo,

We write to request your immediate action on several urgent shortcomings in U.S.

export control policy for the People's Republic of China (PRC). Because these actions are critical to stemming the flow of technology into our foremost foreign adversary, we request the Department of Commerce respond sufficiently to these recommendations before an Under Secretary for the Bureau of Industry and Security (BIS) is confirmed.

Reports that the PRC has tested a nuclear-capable hypersonic missile is a chilling display of Chinese Communist Party (CCP) capabilities and intentions. To make matters worse, it is likely that U.S. software and tools contributed to the creation of this weapons system, because of our country's permissive export controls and licensing policies with China. If this is not the clarion call to overhaul export controls and our technology and research collaboration with the PRC and its Military-Civil Fusion strategy, liberal democracies may cede more ground to a genocidal, authoritarian regime.

U.S. export control authorities can help significantly constrain the CCP's human rights abuses, surveillance state, and military modernization when used effectively. For instance, unilateral controls and the Foreign-produced Direct Product Rule (FDPR) have been vital in hobbling Huawei's ability to give the CCP control over global 5G networks.1 The next BIS Under Secretary must rigorously implement export controls to curb the CCP's development of weapons systems—such as hypersonics—that are aimed at the United States and our allies' forces in the Indo Pacific and around the world.

Congress has raised concerns with the implementation of U.S. export control policy toward the PRC, including failing to sufficiently define emerging and foundational technologies and not designating on the Entity List companies such as Honor and YMTC that change their name or ownership structure to evade sanctions or threaten to destroy the market for memory semiconductor chips. We respectfully and urgently request you commit to working with Congress on ten recommendations of immediate concern:

1. Use the FDPR on all entities that enable the CCP's military capabilities and human rights abuses.
2. Update the licensing policy for SMIC and expand its application to all PRC semiconductor foundries and fabrication facilities (fabs).
3. Restrict access to argon fluoride (ArF) immersion photolithography, extreme ultraviolet photolithography, advanced materials (photomasks and photoresists), and software necessary for any advanced foundry or fab in the

      PRC.

4. Restrict designs and photomasks for critical semiconductors that are developed using U.S. electronic design automation (EDA) software from being fabricated at PRC fabs.

5. Deny licenses that support the Comac C929, which is the PRC's long-range wide-body airliner, and leverage the Annex on Cooperation on Non-Market Economies in the recent U.S.-EU agreement to coordinate technology transfer policies.

6. Coordinate with Congress to issue final rules on appropriate controls for fundamental research and open-source technology platforms.

7. Submit quarterly reporting to Congress on export control licensing outcomes to parties on the Entity List, Military End-User List, and the Chinese Military Companies List, as well as license outcomes for controlled items to the PRC.

8. Update the Export Administration Regulation Country Chart to better address the unique and evolving risks of technology trade with the PRC.

9. Set up a mechanism, with appropriate safeguards, to share BIS licensing information seamlessly and voluntarily with members of and observers on CFIUS as well as the intelligence community.

10. Create more transparency on the process for identifying emerging and foundational technologies and commit to time-bound metrics for identifying technology.

This hypersonics test and other wakeup calls must end the notion that the CCP can be constrained through commercial engagement. Rather, BIS should act with agility and strength to carry out the ten recommendations in this letter immediately. We hope any Under Secretary would commit to these commonsense proposals that would significantly advance BIS' national security mission. As this administration's Central Intelligence Agency Director states there are "a growing number of areas in which [General Secretary] Xi's China is a formidable, authoritarian adversary." The United States must take a "whole-of-government" approach, which includes Congress, to address this issue.