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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

July 29, 2025

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

Dear Secretary Lutnick:

I write to express grave concern regarding the Administration's decision to ease semiconductor export controls to the People's Republic of China (PRC), seemingly without securing anything in return for the United States. Rather than securing concessions from Beijing on critical minerals exports, unfair trade practices that disadvantage U.S. companies, support for Russia's war in Ukraine or even its involvement in global fentanyl trafficking, this Administration gifted Beijing one of its top demands the same day that the PRC tightened its own export controls over electric vehicle battery technologies. While Beijing understands the stakes of this strategic competition, it is becoming increasingly clear that this Administration lacks any coherent strategy to ensure that the United States maintains its competitive edge over the technologies of the future.

The PRC has relied on economic espionage, intellectual property theft, massive state subsidies and chip smuggling to get ahead of the United States in AI technology. However, the PRC is closing the gap in domestic innovation as evidenced by the accomplishments of the Chinese AI company DeepSeek earlier this year, which leveraged NVIDIA's less powerful H-20 AI chips to develop its cutting-edge AI model. This incident underscored the PRC's diminishing reliance on the most advanced AI chips to secure a competitive edge over U.S. models. By easing export controls on NVIDIA's H-20 and equivalent chips, the United States has made it easier for PRC researchers such as DeepSeek to build more powerful models that can out-compete the United States.

These recent actions highlight a disturbing trend in the Administration's policies that Senate Foreign Relations Committee Democrats underscored in a recently-released minority report, *The Price of Retreat*: This Administration either does not take the strategic PRC challenge seriously, or it simply lacks a coherent strategy to compete with Beijing.¹ The Administration was apparently unaware of the PRC's global stranglehold on critical mineral supply chains, relaxed export controls on AI chip design software for nothing in return and antagonized allies and partners critical to maintaining robust export

¹ Senate Foreign Relations Committee, "Ranking Member Shaheen and Senate Foreign Relations Committee Democratic Members Publish Major New Report on the Consequences of the Trump Administration's Global Retreat and China's Strategic Gains," July 14, 2025, <https://www.foreign.senate.gov/press/dem/release/ranking-member-shaheen-and-senate-foreign-relations-committee-democratic-members-publish-major-new-report-on-the-consequences-of-the-trump-administrations-global-retreat-and-chinas-strategic-gains>

controls on semiconductor manufacturing equipment. I can only conclude that this Administration has no clear strategy to prevent the PRC from dominating AI technology at the expense of U.S. national security.

I respectfully request the following information **no later than August 15, 2025**:

- What, if anything, did the Administration seek from the PRC in return for relaxing export controls on AI semiconductors?
- What, if anything, did the Administration secure in return for relaxing its export controls on AI semiconductors?
- What guardrails has the Administration put in place to ensure that the export of NVIDIA's H20 AI chips will not contribute to the PRC's military modernization efforts?
- What is the Administration's strategy to ensure that the United States wins its competition with the PRC to develop the world's most advanced AI models and to ensure developers rely on U.S. AI stacks and remain in the U.S. AI ecosystem?

Thank you for your attention to this matter, and we look forward to receiving your response.

Sincerely,

A handwritten signature in blue ink, reading "Jeanne Shaheen". The signature is fluid and cursive, with the first name "Jeanne" and last name "Shaheen" clearly distinguishable.

Jeanne Shaheen
Ranking Member