

Congress of the United States

Washington, DC 20515

July 27, 2025

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

Dear Secretary Lutnick:

We write to express grave concern over the Administration's recent use of semiconductor export controls as a bargaining chip in trade negotiations with the People's Republic of China (PRC). By statute, our nation's export controls are meant to "restrict the export of items which would make a significant contribution to the military potential of any other country . . . which would prove detrimental to the national security of the United States . . . [and] restrict the export of items if necessary to further significantly the foreign policy of the United States or to fulfill its declared international obligations."¹

Using these tools as leverage in commercial negotiations with an authoritarian competitor undermines their core purpose: safeguarding U.S. national security. This approach risks eroding the credibility of our export controls regime, blurs the line between economic and security priorities, and sends a dangerous signal that critical guardrails are up for negotiation.

Earlier this month, you told a reporter that "[w]e put [the chips] in the trade deals with the magnets."² Separately, another outlet reported that Treasury Secretary Bessent said, with regard to the H20 controls, "[y]ou might say that that was a negotiating chip that we used in [trade negotiations in] Geneva and in London . . . It was all part of a mosaic. They had things we wanted. We had things they wanted, and we're in a very good place."³ Respectfully, the reality is quite the opposite.

When the Bureau of Industry and Security placed restrictions on NVIDIA's H20 chips in April, the Administration made clear it was doing so because those chips were contributing to Beijing's development of artificial intelligence (AI) capabilities that were harmful to the national security of the United States. Why then are we removing those controls three months later? Secretary Bessent's claim earlier this month that "Chinese indigenous manufacturers, namely Huawei and some others, already have an equivalent chip" suggests that either the Administration

¹ 50 U.S.C. § 4811.

² Renshaw, Jarrett, and Karen Freifeld. "Nvidia's Resumption of AI Chips to China Is Part of Rare Earths Talks." *Global Banking and Finance Review*, July 15, 2025. <https://www.globalbankingandfinance.com/NVIDIA-CHINA-CHIPS-d898e55c-8c9c-4a7f-a1f9-a5649ba6cebd>.

³ Flatley, Daniel, and Lai, Stephanie. "Bessent Tells Markets Not to Worry About China Tariff Deadline." *Bloomberg*, July 15, 2025. <https://www.bloomberg.com/news/articles/2025-07-15/bessent-tells-markets-not-to-worry-about-china-tariff-deadline>.

was deliberately misleading Congress and the American public about its intent in imposing these controls in April or that it is doing so now.⁴

When the Under Secretary of the Bureau of Industry and Security testified in front of the House Foreign Affairs Committee on June 12, 2025, Ranking Member Meeks raised concerns about the Administration's use of export controls in tariff negotiations and asked Undersecretary Jeffrey Kessler whether he had "approved any export controls with the aim of bolstering the Administration's leverage [amid] ongoing trade negotiations." Kessler firmly denied that saying, "when we impose controls, it's based on an assessment of what would promote national security and foreign policy interests."⁵ The statements by both you and Secretary Bessent earlier this month about using the H20 restrictions as a "negotiating chip" contradict Kessler's sworn testimony and highlight the extent to which the Administration has repeatedly misled the American people and put our national security at risk.

It is clear that this Administration is gambling with our national security and our economy all for the sake of President Trump's trade war that is harming American families, workers, and consumers. The Administration is either allowing the PRC to acquire some of the most advanced artificial intelligence (AI) chips on the market or it imposed export controls on a major United States company in a sector critical to U.S. economic and technological leadership to seek leverage in bilateral tariff negotiations with China. Either way, the President has signaled to Beijing and every other nation he is negotiating with that this Administration is willing to sacrifice U.S. national and economic security for illusory advantage in tariff talks. The fact that this Administration was surprised and found flat-footed by PRC restrictions on critical minerals, a known vulnerability for the United States defense industrial base, illustrates the problem. Simply put, there was a clear winner in this round of negotiations, and it was the CCP.

It is also troubling that the decision to remove restrictions on NVIDIA was announced within days of President Trump meeting with NVIDIA CEO Jensen Huang at the White House. *The New York Times* reported that President Trump made the decision to remove the H20 restrictions by the end of that hourlong meeting,⁶ which would indicate that the President did not consult with or get approvals from his Secretaries of Commerce, Defense, State, and Energy before making the decision. This signals to our adversaries that the United States could backtrack on any policies, even those impacting national security, if the President gets pressured by the right corporate leader in the United States. And equally troubling, allies and partners may look at our use of export controls as negotiating leverage or question our sincerity when we ask them to impose critical multilateral export controls targeting the PRC's military advancements in the future.

As a result, we no longer have confidence that the rigorous, evidence-based interagency process to administer controls that Congress stipulated under the Export Controls Reform Act of 2018 is being followed by the Administration.

⁴ Cohen, Ian and Selinger, March. "US to Lift Export Curbs on Nvidia's H20 Chips to China; Lawmakers Seek Clarity," Export Compliance Daily, July 16, 2025, https://exportcompliancedaily.com/article/2025/07/16/us-to-lift-export-curbs-on-nvidias-h20-chips-to-china-lawmakers-seek-clarity-2507150013?BC=bc_68778eec5870a.

⁵ "Bureau of Industry and Security FY26 Budget" Export Controls and the AI Arms Race," Hearing, House Foreign Affairs Committee, June 12, 2025, https://www.youtube.com/watch?v=nM8Yv4g7ikw&embeds_referring_euri=https%3A%2F%2Fforeignaffairs.house.gov%2F.

⁶ Mickle, Tripp, "How Nvidia's Jensen Huang Persuaded Trump to Sell A.I. Chips to China," *The New York Times*, July 17, 2025, <https://www.nytimes.com/2025/07/17/technology/nvidia-trump-ai-chips-china.html>.

It is not too late to reverse course and resume using export controls in the manner envisioned by Congress. If we want to prevent Beijing from winning the AI race of our own accord and preserve the multilateral export control regimes that we have strived on a bipartisan basis to establish and preserve, we cannot allow the lines between national security policy and trade policy to become blurred. Ceding away our primary advantage in the AI competition in exchange for short-term trade benefits defies common sense, sets a troubling precedent, and undermines our ability to work with our allies and partners.

Export control authorities were enacted by Congress so the Commerce Department could protect our national security from competitors like the PRC. They are a critical tool to prevent our own innovations from being used against us, and to forestall the grave implications for our military, our competitiveness, and human rights around the world that would materialize if the CCP dominates AI and other critical technologies. Export controls are not bargaining chips, and they should not be treated as such.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Raja Krishnamoorthi". The signature is fluid and cursive, with the first name "Raja" being more prominent.

Raja Krishnamoorthi
Ranking Member
House Select Committee on the CCP

A handwritten signature in blue ink that reads "Gregory W. Meeks". The signature is cursive and includes a long, sweeping underline.

Gregory W. Meeks
Ranking Member
House Foreign Affairs Committee