

# U.S.-China Relations

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The United States and the People's Republic of China (PRC or China) are involved in a prolonged stand-off over trade and in competition that is spilling from political and military areas into a growing number of other spheres, including technology, finance, and education, severely straining ties on the 40<sup>th</sup> anniversary of the two countries' establishment of diplomatic relations. The two lead the world in the size of their economies, their defense budgets, and their global greenhouse gas emissions. Both countries are permanent members of the United Nations (U.N.) Security Council. In 2018, they were each other's largest trading partners.

During the Trump Administration, competition has dominated the relationship and areas of cooperation have shrunk. The 2017 National Security Strategy (NSS) describes both China and Russia as seeking to "challenge American power, influence, and interests, attempting to erode American security and prosperity." To pressure China to change its economic practices, the United States has imposed tariffs on hundreds of billions of dollars of U.S. imports from China, with almost all imports from China scheduled to be subject to additional tariffs by December 15, 2019. U.S. tariffs and China's retaliatory tariffs have reordered global supply chains and hit U.S. farmers and manufacturers particularly hard. Twelve rounds of negotiations have not resolved the dispute.

On August 5, 2019, the U.S. Treasury Department labeled China a currency manipulator for the first time in a quarter century. The Administration has placed restrictions on the ability of U.S. firms to supply PRC telecommunications giant Huawei. The United States has also sought to warn other nations away from business dealings with Huawei and from cooperation with China on infrastructure projects under the framework of China's Belt and Road Initiative (BRI).

Many analysts ascribe the rising friction in the relationship today not only to the arguably more confrontational inclinations of the Trump Administration, but also to more assertive behavior by China under President Xi Jinping. Xi assumed the top posts in the Communist Party of China in November 2012 and added the state presidency in March 2013. Later in 2013, China began building military outposts in the South China Sea and Xi launched BRI, an ambitious effort to boost economic connectivity—and China's influence—across the globe. In 2015, China began enacting a suite of national security legislation that shrank the space for independent thought and civil society, subjected ordinary citizens to stepped-up surveillance, and imposed onerous conditions on foreign firms operating in China. The same year, China launched its "Made in China 2025" plan, seeking to reduce China's reliance on foreign technology and directing the considerable resources of the state toward supporting the development of "national champion" Chinese firms in 10 strategic industries. In 2017, at the end of his first five-year term in his Party posts, Xi tasked China's military with turning itself into a "world-class" force by mid-century. Also in 2017, his government began forcing more than 1 million of his Turkic Muslim fellow citizens in the northwest region of Xinjiang into reeducation camps.

Increasingly, the United States and China appear to be seeking to draw other countries into competing camps—those who agree to sign (often vague) BRI cooperation agreements with China (some 125 countries as of April 2019, by China's count), and those who, at the U.S. government's behest, do not; those who do business with Huawei, and those who, similarly at the U.S. government's behest, do not; those who publicly censure China for its actions in Xinjiang, and those who offer support. U.S. allies are sometimes in China's "camp." China represents "a new kind of challenge," Secretary of State Michael R. Pompeo has suggested, because "It's an authoritarian regime that's integrated economically into the West in ways the Soviet Union never was." Important areas of remaining U.S.-China cooperation include maintaining pressure on North Korea to curb its nuclear weapons and missile programs; supporting the Afghanistan peace process; managing international public health challenges, from tuberculosis to influenza; and stemming the flow into the United States of China-produced fentanyl, a class of deadly synthetic opioids.

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## Contents

Introduction .....	1
Basic Facts About the People’s Republic of China .....	5
Leadership .....	5
Provinces .....	6
Signature Policies of China’s President Xi .....	7
Brief History of U.S.-PRC Relations .....	8
The Bilateral Relationship: Select Dimensions .....	11
High-Level Dialogues .....	11
Trade and Economic Relations.....	12
Trade .....	13
Investment.....	14
Military-to-Military Relations.....	15
U.S. Foreign Assistance in China.....	17
Select Issues in the Bilateral Relationship.....	19
Economic Issues.....	19
Section 301 Investigation and Tariffs .....	19
Tariffs on Aluminum and Steel .....	21
Alleged PRC Currency Manipulation.....	21
Bilateral Trade Deficit.....	22
Industrial Policies .....	22
Intellectual Property Rights (IPR) and Cyber-Theft.....	23
Advanced Technology and Huawei .....	23
China’s Status as a “Developing Country” in the WTO .....	25
China’s Belt and Road Initiative (BRI).....	26
Security Issues.....	27
PRC Military Modernization .....	27
North Korea .....	28
East China Sea .....	29
South China Sea.....	29
Human Rights and Rule of Law.....	31
Xinjiang .....	31
Hong Kong.....	33
Tibet .....	34
Use of Surveillance Technology .....	35
Taiwan.....	36
Select Other Issues .....	39
Climate Change.....	39
Consular Issues .....	40
Fentanyl .....	40
Legislation Related to China Introduced in the 116 <sup>th</sup> Congress .....	41
China in the National Defense Authorization Act for FY2020 .....	51

## Figures

Figure 1. China’s Top Leaders .....	6
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Figure 2. Map of China .....	7
Figure 3. The South China Sea.....	30

## Tables

Table 1. Summits Between Presidents Donald J. Trump and Xi Jinping .....	11
Table 2. Trump Administration High-Level Dialogues with China .....	12
Table 3. U.S.-China Trade in 2018 .....	13
Table 4. Select Security and Military Dialogues, 2009-Present .....	17
Table 5. U.S. Foreign Assistance Programs in China (Department of State and USAID), FY2013-FY2018 .....	18
Table 6. U.S. Section 301 Tariff Actions .....	20
Table 7. Trump Administration Notifications of Major Foreign Military Sales to Taiwan .....	38
Table 8. Legislation with Provisions Related to China Introduced in the 116 <sup>th</sup> Congress, Arranged by Topic.....	42
Table 9. Provisions of H.R. 2500 that refer explicitly to the PRC, Hong Kong, Taiwan, or entities associated with them.....	51
Table 10. Provisions of H.R. 2500 potentially related to the PRC, Hong Kong, or Taiwan.....	52
Table 11. Provisions of S. 1790 that refer explicitly to the PRC, Hong Kong, Taiwan, or entities associated with them.....	54
Table 12. Provisions of S. 1790 potentially related to the PRC, Hong Kong, or Taiwan.....	55

## Contacts

Author Contact Information .....	57
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## Introduction

The United States and the People's Republic of China (PRC or China) are involved in a prolonged stand-off over trade, and in competition that is spilling from political and military areas into a growing number of other spheres, including technology, finance, and education, severely straining ties on the 40<sup>th</sup> anniversary of the two countries' establishment of diplomatic relations. The two countries lead the world in the size of their economies, their defense budgets, and their global greenhouse gas emissions. Both countries are permanent members of the United Nations (U.N.) Security Council. In 2018, they were each other's largest trading partners.

Trump Administration strategy documents have set the tone for U.S. policy toward China. The December 2017 National Security Strategy (NSS) describes both China and Russia as seeking to “challenge American power, influence, and interests, attempting to erode American security and prosperity.”<sup>1</sup> An unclassified summary of the January 2018 U.S. National Defense Strategy describes China as a “strategic competitor” and charges that it is pursuing a military modernization program that “seeks Indo-Pacific regional hegemony in the near-term and displacement of the United States to achieve global preeminence in the future.”<sup>2</sup> The Department of Defense's (DOD's) June 2019 Indo-Pacific Strategy Report identifies “the primary concern for U.S. national security” as “inter-state strategic competition, defined by geopolitical rivalry between free and repressive world order visions.”<sup>3</sup> The Trump Administration has leveled its strongest criticism at China's economic practices. In a major October 4, 2018, address on China policy, Vice President Mike Pence charged that China has used “an arsenal of policies inconsistent with free and fair trade” to build its manufacturing base, “at the expense of its competitors—especially the United States of America.”<sup>4</sup>

In their public statements on the United States, China's top leaders have generally refrained from direct criticism. In July 2019, PRC Vice President Wang Qishan stated that “profound shifts are taking place in the relations between major countries,” noting “mounting protectionism and populist ideologies” and “intensifying geopolitical rivalry and regional turbulence.”<sup>5</sup> PRC Vice Foreign Minister Le Yucheng, speaking at the same forum, addressed U.S.-China relations directly. The bilateral relationship, Le asserted, is “now going through the most complex and sensitive period since diplomatic relations were formalized four decades ago.” Le called for “a China-US relationship based on coordination, cooperation and stability,” and pushed back at the idea that China is responsible for U.S. “challenges.” The wars in Afghanistan and Iraq “sapped [U.S.] strategic strength,” Le asserted, and the global financial crisis “exposed the deep-seated imbalances in the U.S. economy and society.” The United States should not make China “a

<sup>1</sup> The White House, *National Security Strategy of the United States*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>.

<sup>2</sup> Department of Defense, “Summary of the 2018 National Defense Strategy,” January 19, 2018, <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

<sup>3</sup> Department of Defense, “Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region,” June 1, 2019, [https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD\\_INDOPACIFIC\\_STRATEGY\\_REPORT\\_JUNE\\_2019.PDF](https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD_INDOPACIFIC_STRATEGY_REPORT_JUNE_2019.PDF).

<sup>4</sup> The White House, “Remarks by Vice President Pence on the Administration's Policy Toward China,” October 4, 2018, <https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china/>.

<sup>5</sup> Ministry of Foreign Affairs of the PRC, “Upholding Peace and Cooperation and Building a Community with a Shared Future for Mankind,” Address by Wang Qishan, Vice President of the PRC, at the opening ceremony of the Eighth World Peace Forum, July 8, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/zyjh\\_665391/t1679950.shtml](https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1679950.shtml).

scapegoat,” Le argued, for “[p]roblems such as economic disparity, widening wealth gap and aging infrastructure.”<sup>6</sup>

U.S.-China tensions predated the Trump Administration. Frictions over such issues as Taiwan, trade, and China’s human rights record have been long-standing, as have been U.S. concerns about the intentions behind China’s ambitious military modernization efforts. United States Trade Representative (USTR) reports to Congress going back to the last years of the George W. Bush Administration document mounting U.S. frustrations with China’s failure to implement market-opening commitments it made when it acceded to the World Trade Organization (WTO) in December 2001.<sup>7</sup> Previous Administrations concluded, however, that a *modus vivendi* with China was necessary for a broad array of U.S. policy objectives in the world, and they thus sought to balance competition and cooperation in the U.S.-China relationship.<sup>8</sup>

During the Trump Administration, competition has dominated the relationship and areas of cooperation have shrunk. To pressure China to change its economic practices, the United States has imposed tariffs on hundreds of billions of dollars of U.S. imports from China, with almost all imports from China scheduled to be subject to additional tariffs by December 15, 2019. U.S. tariffs and China’s retaliatory tariffs have reordered global supply chains and hit U.S. farmers and manufacturers particularly hard. Twelve rounds of negotiations have not resolved the dispute.

On August 5, 2019, the U.S. Treasury Department labeled China a currency manipulator for the first time in a quarter century.<sup>9</sup> The Administration has placed restrictions on the ability of U.S. firms to supply PRC telecommunications giant Huawei.<sup>10</sup> The United States has also sought to warn other nations away from business dealings with Huawei and from cooperation with China on infrastructure projects under the framework of China’s Belt and Road Initiative (BRI). Feeding a persistent narrative that the Administration seeks to “decouple” the U.S. and Chinese economies, on August 23, 2019, President Trump wrote on Twitter, “Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing your companies HOME and making your products in the USA.” As his authority for such an order, the President cited the International Emergency Economic Powers Act (P.L. 95-223), though he said on August 25, 2019, that he had “no plan right now” to trigger the law.<sup>11</sup>

<sup>6</sup> Ministry of Foreign Affairs of the PRC, “China’s Foreign Policy in a Fast Changing World: Mission and Responsibility,” Speech by Vice Foreign Minister Le Yucheng at the Lunch Meeting of the Eight World Peace Forum, July 8, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/zyjh\\_665391/t1679454.shtml](https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1679454.shtml).

<sup>7</sup> See, for example, The United States Trade Representative, “2008 Report to Congress on China’s WTO Compliance,” [https://ustr.gov/sites/default/files/asset\\_upload\\_file192\\_15258.pdf](https://ustr.gov/sites/default/files/asset_upload_file192_15258.pdf).

<sup>8</sup> See, for example, The White House, “America’s Future in Asia,” remarks as prepared for delivery by National Security Advisor Susan E. Rice at Georgetown University, November 20, 2013, <https://obamawhitehouse.archives.gov/the-press-office/2013/11/21/remarks-prepared-delivery-national-security-advisor-susan-e-rice>.

<sup>9</sup> U.S. Department of the Treasury, “Treasury Designates China as a Currency Manipulator,” August 5, 2019, <https://home.treasury.gov/news/press-releases/sm751>; CRS Insight IN11154, *The Administration’s Designation of China as a Currency Manipulator*, by Rebecca M. Nelson.

<sup>10</sup> U.S. Department of Commerce, Bureau of Industry and Security, “Addition of Entities to the Entity List,” 84 *Federal Register* 22961, May 21, 2019, <https://www.federalregister.gov/documents/2019/05/21/2019-10616/addition-of-entities-to-the-entity-list>.

<sup>11</sup> Donald J. Trump on Twitter, August 23, 2019, <https://twitter.com/realdonaldtrump/status/1164914960046133249> and <https://twitter.com/realdonaldtrump/status/116511122510237696>; The White House, “Remarks by President Trump and Prime Minister Johnson of the United Kingdom in Working Breakfast | Biarritz, France,” August 25, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-prime-minister-johnson-united-kingdom-working-breakfast-biarritz-france/>.



Many analysts ascribe the rising friction in the relationship today not only to the arguably more confrontational inclinations of the Trump Administration, but also to more assertive behavior by China under President Xi Jinping. Xi assumed the top posts in the Communist Party of China in November 2012 and added the state presidency in March 2013. Later in 2013, China began building military outposts in the South China Sea and Xi launched BRI, an ambitious effort to boost economic connectivity—and China’s influence—across the globe. In 2015, China began enacting a suite of national security legislation that shrank the space for independent thought and civil society, subjected ordinary citizens to stepped-up surveillance, and imposed onerous conditions on foreign firms operating in China.<sup>12</sup> The same year, China launched its “Made in China 2025” plan, seeking to reduce China’s reliance on foreign technology and directing the considerable resources of the state toward supporting the development of “national champion” Chinese firms in 10 strategic industries.<sup>13</sup> In 2017, at the end of his first five-year term in his Party posts, Xi tasked China’s military with turning itself into a “world-class” force by mid-century.<sup>14</sup> That year, his government also began forcing more than 1 million of his Turkic Muslim fellow citizens in the northwest region of Xinjiang into reeducation camps.<sup>15</sup> In March 2018, China’s Communist Party-controlled legislature amended the state constitution to remove presidential term-limits, opening the way for Xi to stay in office indefinitely.<sup>16</sup>

Increasingly, the United States and China appear to be seeking to draw other countries into competing camps—those who agree to sign (often vague) BRI cooperation agreements with China (some 125 countries as of April 2019, by China’s count), and those who, at the U.S. government’s behest, do not; those who do business with Huawei, and those who, similarly at the U.S. government’s behest, do not; those who publicly censure China for its actions in Xinjiang, and those who offer support.<sup>17</sup> U.S. allies are sometimes in China’s “camp.” China represents “a new kind of challenge,” Secretary of State Michael R. Pompeo has suggested, because, “It’s an authoritarian regime that’s integrated economically into the West in ways the Soviet Union never was.”<sup>18</sup> Important areas of remaining U.S.-China cooperation include maintaining pressure on North Korea to curb its nuclear weapons and missile programs; supporting the Afghanistan peace process; managing international public health challenges, from tuberculosis to influenza; and stemming the flow into the United States of China-produced fentanyl, a class of deadly synthetic opioids.

<sup>12</sup> Such legislation includes the National Security Law of the PRC (2015), Anti-Terrorism Law of the PRC (2015), Cyber Security Law of the PRC (2016), and National Intelligence Law of the PRC (2017).

<sup>13</sup> The Chinese-language text of the Made in China 2025 plan, issued on May 19, 2015, is accessible on the website of China’s State Council, at [http://www.gov.cn/zhengce/content/2015-05/19/content\\_9784.htm](http://www.gov.cn/zhengce/content/2015-05/19/content_9784.htm).

<sup>14</sup> “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” Xi Jinping speech delivered at the 19<sup>th</sup> National Congress of the Communist Party of China, October 18, 2017, [http://www.xinhuanet.com/english/download/Xi\\_Jinping's\\_report\\_at\\_19th\\_CPC\\_National\\_Congress.pdf](http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf).

<sup>15</sup> For more on these trends, see Carl Minzner, *End of an Era: How China’s Authoritarian Revival Is Undermining Its Rise*, Oxford University Press, 2018.

<sup>16</sup> See CRS In Focus IF10854, *China’s Communist Party Absorbs More of the State*, by Susan V. Lawrence.

<sup>17</sup> For the number of BRI agreements signed, see Office of the Leading Group for Promoting the Belt and Road Initiative (PRC), *The Belt and Road Initiative Progress, Contributions and Prospects*, April 22, 2019, <https://eng.yidaiyilu.gov.cn/zchj/qwfb/86739.htm>.

<sup>18</sup> U.S. Department of State, “Secretary of State Michael R. Pompeo with Peta Credlin of Sky News,” August 5, 2019, <https://www.state.gov/secretary-of-state-michael-r-pompeo-with-peta-credlin-of-sky-news/>, and U.S. Department of State, “The Special Relationship,” Remarks by Secretary of State Michael R. Pompeo in London, May 8, 2019, <https://www.state.gov/the-special-relationship/>.

Many of the Trump Administration's critics share the Administration's concerns about PRC policies and actions, but disagree with the Administration's framing of the relationship and with specific Administration policies. Signatories to an open letter on China addressed to the President and Members of Congress and published in *The Washington Post* on July 3, 2019, acknowledge "troubling behavior" by China. They argue, nonetheless, that China is not "an economic enemy or an existential national security threat that must be confronted in every sphere; nor is China a monolith, or the views of its leaders set in stone." They warn, "If the U.S. presses its allies to treat China as an economic and political enemy, it will weaken its relations with those allies and could end up isolating itself rather than Beijing."<sup>19</sup>

Former Obama Administration officials Kurt M. Campbell and Jake Sullivan argue that, "The basic mistake of engagement was to assume that it could bring about fundamental changes to China's political system, economy, and foreign policy." They warn that, "Washington risks making a similar mistake today, by assuming that competition can succeed in transforming China where engagement failed—this time forcing capitulation or even collapse." Campbell and Sullivan call for "a steady state of clear-eyed coexistence on terms favorable to U.S. interests and values," with elements of competition and cooperation in four domains: military, economic, political, and global governance.<sup>20</sup> Peter Varghese, a former senior diplomat for Australia, a U.S. ally, asserts that, "it would be a mistake for the US to cling to primacy by thwarting China. Those of us who value US leadership want the US to retain it by lifting its game, not spoiling China's."<sup>21</sup>

Many analysts fault the Trump Administration for giving up leverage against China by withdrawing from international agreements and institutions, by allegedly paying insufficient attention to maintaining strong relationships with allies, and by engaging in inconsistent messaging around trade, human rights, and other issues. In January 2017, the Administration notified the 11 other signatories to the Trans-Pacific Partnership (TPP), a proposed free trade agreement (FTA) of Asia-Pacific countries (not including China), that it would not be ratifying the agreement.<sup>22</sup> In June 2018, the Administration announced its withdrawal from the U.N. Human Rights Council.<sup>23</sup>

Signatories of another high-profile open letter addressed to the President urge him, however, to "stay the course on your path of countering Communist China." The letter states that supporters of engagement with China told American policymakers "that the PRC would become a 'responsible stakeholder' once a sufficient level of economic modernization was achieved." The letter argues, "This did not happen and cannot so long as the CCP [Chinese Communist Party] rules China." The letter assures the President, "We welcome the measures you have taken to

<sup>19</sup> M. Taylor Fravel, J. Stapleton Roy, Michael D. Swaine, Susan A. Thornton, and Ezra Vogel, "China Is Not an Enemy," *Washington Post*, July 3, 2019, [https://www.washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70\\_story.html](https://www.washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70_story.html). For an up-to-date list of signatories, see, "Open Letter to the President and Congress on China Policy," accessed August 5, 2019, <https://www.openletteronchina.info/>.

<sup>20</sup> Kurt M. Campbell and Jake Sullivan, "Competition Without Catastrophe: How America Can Both Challenge and Coexist with China," *Foreign Affairs*, August 1, 2019, <https://www.foreignaffairs.com/articles/china/competition-with-china-without-catastrophe>.

<sup>21</sup> The United States Studies Centre at the University of Sydney, "Australia, the United States and the Indo-Pacific: Keynote Address Delivered by Peter Varghese AO," August 21, 2019, <https://www.ussc.edu.au/analysis/australia-the-united-states-and-the-indo-pacific-keynote-address-delivered-by-peter-varghese-ao>.

<sup>22</sup> CRS In Focus IF10000, *TPP: Overview and Current Status*, by Brock R. Williams and Ian F. Fergusson.

<sup>23</sup> CRS Report RL33608, *The United Nations Human Rights Council: Background and Policy Issues*, by Luisa Blanchfield.



confront Xi's government and selectively to decouple the U.S. economy from China's insidious efforts to weaken it."<sup>24</sup>

## Basic Facts About the People's Republic of China

The Communist Party of China (CPC) established the PRC 70 years ago, on October 1, 1949, after winning a civil war against the Nationalist (also known as Kuomintang or KMT) forces of the Republic of China (ROC) led by Chiang Kai-shek. Today, China is the world's most populous nation (with a population of 1.39 billion), the world's largest emitter of greenhouse gases (responsible for approximately 30% of global energy-related carbon dioxide emissions in 2016), the world's second-largest economic power (in nominal terms, with a gross domestic product or GDP of \$13.6 trillion), and the only Communist Party-led state in the G-20 grouping of major economies. With the United States, France, Russia, and the United Kingdom, China is also one of five permanent members of the U.N. Security Council.

### Leadership

Since 2012, Xi Jinping (his family name, Xi, is pronounced "shee") has been China's top leader. He holds a troika of top positions: Communist Party General Secretary, Chairman of the Party's Central Military Commission, and State President. In 2018, China's unicameral legislature, the National People's Congress (NPC), amended the PRC constitution to include a reference to "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era," putting Xi's guiding philosophy on a par with the philosophies of two powerful predecessors, Mao Zedong and Deng Xiaoping. Another constitutional amendment removed term limits for the state presidency, opening the way for Xi to stay in the position indefinitely after the conclusion of his second five-year term in 2023.<sup>25</sup>

Xi is the top official in China's most senior decisionmaking body, the seven-man Communist Party's Politburo Standing Committee (see **Figure 1**), which is drawn from the larger 25-person Politburo. Xi personally chairs multiple Communist Party policy committees, including those on foreign affairs, Taiwan, "deepening overall reform," financial and economic affairs, cyberspace, and "comprehensive rule of law." Some foreign observers refer to him as "chairman of everything."<sup>26</sup> Other members of the Politburo Standing Committee concurrently lead China's other major political institutions, including the State Council, China's cabinet; the NPC; and a political advisory body, the Chinese People's Political Consultative Conference (CPPCC). The arrangement ensures that the Communist Party maintains firm control over all the country's political institutions. Xi has repeatedly reminded his countrymen that, "The Party exercises overall leadership over all areas of endeavor in every part of the country."<sup>27</sup>

<sup>24</sup> James E. Fannell, Captain USN (Ret.) "Stay the Course on China: An Open Letter to President Trump," *Journal of Political Risk*, July 18, 2019, <http://www.jpolrisk.com/stay-the-course-on-china-an-open-letter-to-president-trump/>. Fannell is a former Director of Intelligence and Information Operations, U.S. Pacific Fleet.

<sup>25</sup> See CRS In Focus IF10854, *China's Communist Party Absorbs More of the State*, by Susan V. Lawrence.

<sup>26</sup> Jane Perlez, "Q. and A.: Geremie R. Barmé on Understanding Xi Jinping," *New York Times*, November 8, 2015, <https://sinosphere.blogs.nytimes.com/2015/11/08/china-xi-jinping-geremie-barme-maoing-xi-jinping/>.

<sup>27</sup> "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," Xi Jinping speech delivered at the 19<sup>th</sup> National Congress of the Communist Party of China, October 18, 2017, [http://www.xinhuanet.com/english/download/Xi\\_Jinping's\\_report\\_at\\_19th\\_CPC\\_National\\_Congress.pdf](http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf).

**Figure 1. China's Top Leaders**

Members of the Seven-Man Communist Party Politburo Standing Committee

**Source:** Website of the Communist Party of China, <http://www.cpcnews.cn>.**Notes:** Leaders are listed in rank order, with Xi Jinping ranked no. 1 and Han Zheng ranked no. 7.

## Provinces

China presents itself as comprised of 34 provincial-level administrative units (see **Figure 2**). They include 23 provinces; five geographic entities that China calls “autonomous regions,” all of which have significant ethnic minority populations (Guangxi, Inner Mongolia, Ningxia, Tibet, and Xinjiang); four municipalities that report directly to the central government (Beijing, Chongqing, Shanghai, and Tianjin); and the two special administrative regions of Hong Kong and Macau, which were returned to China in the 1990s by the governments of the United Kingdom and Portugal respectively. The PRC’s count of 23 provinces includes Taiwan, an island democracy of 23 million people that the PRC has never controlled, but over which it claims sovereignty. Taiwan calls itself the Republic of China.

Provinces have their own revenue streams, and governments at the provincial level and below are responsible for the lion’s share of the country’s public expenditure, including almost all public spending on education, health, unemployment insurance, social security, and welfare.<sup>28</sup> Provinces also have the right to pass their own laws and regulations, which may extend national laws and regulations, but not conflict with them. Beijing gives provinces considerable leeway in adopting policies to boost economic growth and encourages provinces to undertake approved policy experiments. Provinces do not have their own constitutions, however, and do not have the power to appoint their own leaders.<sup>29</sup>

<sup>28</sup> Tony Saich, *Governance and Politics of China*, 3<sup>rd</sup> ed. (Palgrave Macmillan, 2011), p. 200.

<sup>29</sup> CRS Report R41007, *Understanding China’s Political System*, by Susan V. Lawrence and Michael F. Martin.

**Figure 2. Map of China**  
Showing Provincial-Level Administrative Jurisdictions



**Source:** Created by CRS. Map information from U.S. Department of State and Esri 2018 Data and Maps.

**Notes:** (1) Beijing, Chongqing, Shanghai, and Tianjin are cities with the administrative status of provinces. (2) Hong Kong and Macau are special administrative regions of China with the administrative status of provinces. (3) The PRC claims sovereignty over Taiwan, but has never controlled it. Taiwan officially calls itself the Republic of China. (4) This map abbreviates the name of Afghanistan as “AFGH” and that of Tajikistan as “TJK.”

## Signature Policies of China’s President Xi

President Xi has sought to rally China’s citizens around a “**China Dream of Great Rejuvenation of the Chinese Nation.**” The China Dream incorporates a pledge to build “a moderately prosperous society in all respects” by 2021, the centenary of the Party’s founding, in part by doubling China’s 2010 GDP and per capita income for both urban and rural residents. It also includes a pledge to make China, “a modern socialist country that is prosperous, strong, democratic, culturally advanced, and harmonious” by 2049, the centenary of the founding of the People’s Republic of China.<sup>30</sup> (The term “democratic” refers to Chinese-style “socialist

<sup>30</sup> “The Two Centennial Goals,” China.org.cn, November 18, 2014, [http://www.china.org.cn/english/china\\_key\\_words/2014-11/18/content\\_34158771.htm](http://www.china.org.cn/english/china_key_words/2014-11/18/content_34158771.htm). “Full text of Hu Jintao’s report at 18<sup>th</sup> Party Congress,” *Xinhua News Agency (English)*, November 17, 2012.

democracy” under uncontested Communist Party rule.) The “China Dream” includes a “dream of a strong military.”<sup>31</sup>

Externally, Xi has promoted his vision of a **“community with a shared future for mankind”** (also translated as “community of common destiny for mankind”). In a January 2017 speech at the U.N. office in Geneva, Xi described the “community with a shared future” as an effort to “establish a fair and equitable international order.” In such an order, he said, there should be no interference in countries’ internal affairs, and all countries should “have the right to independently choose their social system and development path,” an implicit rejection of U.S.-led democracy-promotion efforts around the world. Appearing to address the United States directly, he stated, “Big countries should treat smaller ones as equals instead of acting as a hegemon imposing their will on others. No country should open the Pandora’s box by willfully waging wars or undermining the international rule of law.”<sup>32</sup>

At the CPC’s 19<sup>th</sup> Congress in late 2017, the CPC incorporated the “community with a shared future for mankind” into its charter. Xi boasted of “a further rise in China’s international influence, ability to inspire, and power to shape” and said China was “moving closer to center stage.”<sup>33</sup> In March 2018, China incorporated the “community with a shared future for mankind” into the state constitution. Later that year, Xi pledged that China would play “an active part in leading the reform of the global governance system, and build a more complete network of global partnerships.”<sup>34</sup>

## Brief History of U.S.-PRC Relations

After the Communist Party took power in China in 1949, the United States continued to recognize Chiang Kai-shek’s ROC government on Taiwan as the legitimate government of all China. A year later, the United States and China found themselves on opposite sides of the Korean War, a conflict that killed 36,547 U.S. military personnel and at least 180,000 Chinese military personnel.<sup>35</sup> China’s name for the conflict is the “War to Resist U.S. Aggression and Aid Korea.” Early in the conflict, the United States sent its Seventh Fleet to the Taiwan Strait “to prevent the Korean conflict from spreading south,” effectively preventing Communist forces from realizing their goal of finishing the Chinese Civil War by wresting control of Taiwan from Chiang’s forces.<sup>36</sup>

<sup>31</sup> “Building a Strong Army Through Reform,” Xinhua, March 16, 2016, [http://www.xinhuanet.com/mil/2016-03/16/c\\_128804009.htm](http://www.xinhuanet.com/mil/2016-03/16/c_128804009.htm).

<sup>32</sup> “Work Together to Build a Community of Shared Future for Mankind,” Xi Jinping speech at the United Nations Office at Geneva, China Global Television Network (CGTN), January 18, 2017, <https://america.cgtn.com/2017/01/18/full-text-of-xi-jinping-keynote-speech-at-the-united-nations-office-in-geneva>.

<sup>33</sup> “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” Xi Jinping speech to the 19<sup>th</sup> National Congress of the Communist Party of China, October 18, 2017.

<sup>34</sup> “Xi Urges Breaking New Ground in Major Country Diplomacy with Chinese Characteristics,” Xinhua, June 24, 2018, [http://www.xinhuanet.com/english/2018-06/24/c\\_137276269.htm](http://www.xinhuanet.com/english/2018-06/24/c_137276269.htm).

<sup>35</sup> CRS Report RL32492, *American War and Military Operations Casualties: Lists and Statistics*, by Nese F. DeBruyne; Yan Jie, “180,000 Chinese Soldiers Killed in Korean War,” *China Daily*, June 28, 2010, [http://www.chinadaily.com.cn/china/2010-06/28/content\\_10026788.htm](http://www.chinadaily.com.cn/china/2010-06/28/content_10026788.htm). China has never provided official casualty figures. Western scholars’ estimates of Chinese deaths in the Korean War range from 400,000 to 600,000.

<sup>36</sup> U.S. Department of State, Office of the Historian, “The Taiwan Strait Crises: 1954-1955 and 1958,” <https://history.state.gov/milestones/1953-1960/taiwan-strait-crises>.

In 1971, changing Cold War dynamics, including the Sino-Soviet split, led the Nixon Administration to undertake a profound shift in U.S. policy. Then-Secretary of State Henry Kissinger made a secret visit to China in July 1971. In October of the same year, the United States supported U.N. General Assembly Resolution 2758, recognizing the PRC's representatives as "the only legitimate representatives of China to the United Nations," and expelling "the representatives of Chiang Kai-shek."<sup>37</sup> President Richard Nixon formally ended nearly a quarter of a century of estrangement between the United States and the PRC with his historic visit to China in February 1972.

On January 1, 1979, President Jimmy Carter and China's Deng Xiaoping presided over the establishment of diplomatic relations between their two nations. The joint communiqué they signed, one of three that China considers to lay the foundation for the U.S.-China relationship, states that the United States "acknowledges the Chinese position that there is but one China and Taiwan is part of China." It also states that "the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan."<sup>38</sup> In April 1979, Carter signed the Taiwan Relations Act (P.L. 96-8, U.S.C. 3301 et seq.), providing a legal basis for the unofficial U.S. relationship with Taiwan and committing the United States to sell defensive arms to Taiwan. The same year, Deng launched a bold program of "reforming and opening" to the outside world that would transform China from a backward, isolated country into the economic powerhouse, emerging military power, and shaper of global institutions that it is today.

Through the 1970s and 1980s, the overriding strategic rationale for the U.S.-China relationship was counterbalancing a shared enemy, the Soviet Union. With the collapse of the Soviet Union in 1991, U.S. and Chinese leaders cast about for a new rationale for their relationship. President Bill Clinton and China's then-leader Jiang Zemin both came to see benefits in expanding bilateral economic ties, including by working together to bring China into the WTO. On October 10, 2000, Clinton signed into law P.L. 106-286, granting China permanent normal trade relations and paving the way for China to join the WTO, which it did in December 2001. In 2018, the Trump Administration argued that "the United States erred in supporting China's entry into the WTO on terms that have proven to be ineffective in securing China's embrace of an open, market-oriented trade regime."<sup>39</sup> A former George W. Bush Administration official suggests that "identifying a preferable alternative, even with the benefit of hindsight, is surpassingly difficult."<sup>40</sup>

After the terrorist attacks of September 11, 2001, the George W. Bush Administration settled on counterterrorism cooperation as a new strategic rationale for the U.S.-China relationship, but China complicated that rationale when it persuaded the United States to apply a terrorist label to separatist ethnic Uyghurs from its northwest Xinjiang region.<sup>41</sup> During the Obama Administration, even as U.S.-China friction mounted over economic issues, cyber espionage, human rights, and the South China Sea, the two sides embraced as a strategic rationale for their relationship the need for their cooperation to address some of the world's most pressing

<sup>37</sup> U.N. General Assembly 26<sup>th</sup> Session, Resolution 2758, "Restoration of the Lawful Rights of the People's Republic of China in the United Nations," October 25, 1971.

<sup>38</sup> U.S. Department of State Office of the Historian, "Address by President Carter to the Nation," December 15, 1978, <https://history.state.gov/historicaldocuments/frus1977-80v01/d104>.

<sup>39</sup> U.S. Trade Representative, "2017 USTR Report to Congress on China's WTO Compliance," January 2018, p. 2, <https://ustr.gov/sites/default/files/files/Press/Reports/China%202017%20WTO%20Report.pdf>.

<sup>40</sup> Philip Levy, "Was Letting China into the WTO a Mistake? Why There Were No Better Alternatives," *Foreign Affairs*, April 2, 2018, <https://www.foreignaffairs.com/articles/china/2018-04-02/was-letting-china-wto-mistake>.

<sup>41</sup> See Richard Bernstein, "When China Convinced the U.S. That Uighurs Were Waging Jihad," *The Atlantic*, March 19, 2019, <https://www.theatlantic.com/international/archive/2019/03/us-uighurs-guantanamo-china-terror/584107/>.



challenges, including weak global economic growth, climate change, and nuclear proliferation.<sup>42</sup> Observers broadly credited U.S.-China cooperation for contributing to the conclusion of the July 2015 Joint Comprehensive Plan of Action (JCPOA) nuclear deal with Iran and the December 2015 Paris Agreement under the U.N. Framework Convention on Climate Change.<sup>43</sup>

Over the past four decades, the U.S.-China relationship has faced some high-profile tests:

- In June 1989, a decade after normalization of U.S.-China relations, China's leaders ordered the People's Liberation Army (PLA) to clear Beijing's Tiananmen Square of peaceful protestors, killing hundreds, or more. In response, the United States imposed sanctions on China, some of which remain in place today.<sup>44</sup>
- In 1995-1996, a U.S. decision to allow Taiwan President Lee Teng-hui to make a private visit to the United States and deliver a speech at his alma mater, Cornell University, led to what became known as the Third Taiwan Strait Crisis. China expressed its anger at the visit by conducting a series of missile exercises around Taiwan, prompting the Clinton Administration to dispatch two aircraft carrier battle groups to the area.<sup>45</sup>
- In May 1999, two decades after normalization of U.S.-China relations, a U.S. Air Force B-2 bomber involved in North Atlantic Treaty Organization (NATO) operations over Yugoslavia mistakenly dropped five bombs on the Chinese Embassy in Belgrade, killing three Chinese journalists and injuring 20 embassy personnel. The event set off anti-U.S. demonstrations in China, during which protestors attacked U.S. diplomatic facilities.<sup>46</sup>
- In April 2001, a PLA naval J-8 fighter plane collided with a U.S. Navy EP-3 reconnaissance plane over the South China Sea, killing the Chinese pilot. The U.S. crew made an emergency landing on China's Hainan Island, where Chinese authorities detained them for 11 days. Negotiations for return of the U.S. plane took much longer.<sup>47</sup>
- In February 2012, a Chongqing Municipality Vice Mayor sought refuge in the U.S. consulate in the western China city of Chengdu, where he is believed to

<sup>42</sup> Other issues on which the Obama White House sought to cooperate with China included North Korea, Afghanistan, global public health, international development, the transnational flow of terrorist fighters, wildlife trafficking, and ocean conservation.

<sup>43</sup> See CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman, and CRS Report R44609, *Climate Change: Frequently Asked Questions About the 2015 Paris Agreement*, by Jane A. Leggett and Richard K. Lattanzio.

<sup>44</sup> See CRS Report R44605, *China: Economic Sanctions*, by Dianne E. Rennack.

<sup>45</sup> See CRS Report R44996, *Taiwan: Issues for Congress*, by Susan V. Lawrence and Wayne M. Morrison.

<sup>46</sup> U.S. Department of State, "Thomas Pickering, Under Secretary of State, Oral Presentation to the Chinese Government Regarding the Accidental Bombing of The P.R.C. Embassy in Belgrade," June 17, 1999, [https://1997-2001.state.gov/policy\\_remarks/1999/990617\\_pickering\\_emb.html](https://1997-2001.state.gov/policy_remarks/1999/990617_pickering_emb.html); U.S. Department of State, "China—Property Damage Agreements," December 16, 1999, <https://1997-2001.state.gov/briefings/statements/1999/ps991216b.html>. The United States agreed to pay China \$28 million for damage to the Chinese Embassy in Belgrade. China agreed to pay the United States \$2.87 million for damage to U.S. diplomatic facilities in China.

<sup>47</sup> John Keefe, "A Tale of 'Two Very Sorries' Redux," *Far Eastern Economic Review*, March 21, 2002, available online at <http://www.freerepublic.com/focus/f-news/646427/posts>; Association for Diplomatic Studies and Training, "A U.S.-Chinese Mid-Air Collision and 'The Letter of Two Sorries,'" <https://adst.org/2016/04/a-u-s-chinese-mid-air-collision-and-the-letter-of-two-sorries/>.



have shared explosive information about wrongdoing by his then-boss, an ambitious Politburo member. Thirty-six hours later, U.S. officials handed the Vice Mayor over to officials from Beijing. The Politburo member, Bo Xilai, soon fell from grace in one of the most spectacular political scandals in PRC history.<sup>48</sup>

- In April 2012, after Chinese legal advocate Chen Guangcheng, who is blind, escaped house arrest in China's Shandong Province, the U.S. Embassy in China rescued him from the streets of Beijing and brought him into the U.S. Embassy compound, where he stayed for six days. High-stakes negotiations between U.S. and PRC diplomats led to Chen moving first to a Beijing hospital, and then, in May 2012, to the United States.<sup>49</sup>

## The Bilateral Relationship: Select Dimensions

### High-Level Dialogues

Presidents Trump and Xi have met face-to-face five times: three times in 2017, once in 2018, and once in 2019 (see **Table 1**). Three of their five meetings have been on the sidelines of summits of the G-20 nations. Even as he has excoriated PRC policies, Trump has generally described his relationship with Xi in warm terms, frequently referring to Xi as “my friend.” Writing on Twitter on August 23, 2019, he questioned whether the Federal Reserve chairman or Xi “is our bigger enemy.”<sup>50</sup> Three days later, however, the President wrote on Twitter that Xi is “a great leader & representing a great country” and stated publicly, “I have great respect for President Xi.”<sup>51</sup>

**Table 1. Summits Between Presidents Donald J. Trump and Xi Jinping**

Date of Meeting	Venue
April 6-7, 2017	Mar-a-Lago Estate, Palm Beach, FL, during President Xi's visit to the United States
July 8, 2017	Hamburg, Germany, on sidelines of a G-20 summit
November 8-10, 2017	Beijing, China, during President Trump's state visit to China
December 1, 2018	Buenos Aires, Argentina, on sidelines of a G-20 summit
June 29, 2019	Osaka, Japan, on the sidelines of a G-20 summit

**Source:** The White House.

In their April 2017 meetings, Trump and Xi agreed to establish four high-level dialogues to manage the U.S.-China relationship, replacing dialogues that operated during the Obama Administration (see **Table 2**).<sup>52</sup> All of the dialogues convened in 2017. Perhaps reflecting

<sup>48</sup> See Max Fisher, “Clinton Reveals U.S. Role in High-Level 2012 Incident with China,” *The Washington Post*, October 18, 2013, <https://www.washingtonpost.com/news/worldviews/wp/2013/10/18/clinton-reveals-u-s-role-in-high-level-2012-incident-with-china/>.

<sup>49</sup> See CRS Report R42554, *U.S.-China Diplomacy Over Chinese Legal Advocate Chen Guangcheng*, by Susan V. Lawrence and Thomas Lum.

<sup>50</sup> Donald J. Trump on Twitter, August 23, 2019, <https://twitter.com/realdonaldtrump/status/1164914610836783104>; The White House, “Remarks by President Trump and President El-Sisi of the Arab Republic of Egypt Before Bilateral Meeting | Biarritz, France,” August 26, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-president-el-sisi-arab-republic-egypt-bilateral-meeting-biarritz-france/>.

<sup>51</sup> Donald J. Trump on Twitter, August 26, 2019, <https://twitter.com/realdonaldtrump/status/1165919483191599104>.

<sup>52</sup> U.S. Department of State, “Previewing the U.S.-China Diplomatic and Security Dialogue,” briefing by Acting

vacancies in senior positions in the Trump Administration and rising tensions in the U.S.-China relationship, only the Diplomatic and Security Dialogue (D&SD) convened in 2018.<sup>53</sup> None of the dialogues has convened in 2019.

**Table 2. Trump Administration High-Level Dialogues with China**

Established April 2017

Dialogue Name	U.S. Cochair(s)	PRC Cochair	Dates Convened
Diplomatic and Security Dialogue (D&SD)	Secretary of State and Secretary of Defense	Politburo Member/Director of Communist Party Central Committee Foreign Affairs Commission Office (Minister of Defense also participated in second meeting, but the PRC does not consider him a cochair.)	June 2017, November 2018
Comprehensive Economic Dialogue	Secretary of the Treasury and Secretary of Commerce	Politburo Member/Vice Premier	June 2017
Law Enforcement and Cybersecurity Dialogue	Attorney General and Secretary of Homeland Security	Politburo Member responsible for police and judiciary	October 2017
Social and Cultural Issues Dialogue	Secretary of State	Politburo Member/Director of Communist Party Central Committee Foreign Affairs Commission Office	September 2017

**Source:** White House, State Department, and Xinhua News Agency.

## Trade and Economic Relations<sup>54</sup>

U.S.-China trade and economic relations have expanded significantly over the past three decades. In 2018, China was—in terms of goods—the United States’ largest trading partner, third-largest export market, and largest source of imports. China is also the largest foreign holder of U.S. Treasury securities.<sup>55</sup> The economic relationship has grown increasingly fraught, however. In 2017, the Trump Administration launched an investigation into China’s policies on intellectual property (IP), subsidies, advancing technology, and spurring innovation. Beginning in 2018, the Trump Administration imposed tariffs on \$250 billion worth of Chinese imports.<sup>56</sup> Tariffs appear

Assistant Secretary of State for East Asian and Pacific Affairs Susan Thornton, June 19, 2017, <https://www.state.gov/r/pa/prs/ps/2017/06/272014.htm>.

<sup>53</sup> Office of the Spokesman, U.S. Department of State, “U.S.-China Diplomatic and Security Dialogue,” Media Note, November 9, 2018, <https://www.state.gov/u-s-china-diplomatic-and-security-dialogue-3/>.

<sup>54</sup> Unless otherwise noted, data in this section is from U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>55</sup> U.S. Department of the Treasury, “Foreign Residents’ Portfolio Holdings of U.S. Securities,” April 30, 2019, <https://www.treasury.gov/resource-center/data-chart-center/tic/Pages/shlreports.aspx>.

<sup>56</sup> The White House, “Presidential Memorandum on the Actions by the United States Related to the Section 301 Investigation,” March 22, 2018, <https://www.whitehouse.gov/presidential-actions/presidential-memorandum-actions-united-states-related-section-301-investigation/>. For more detail, see CRS Insight IN10943, *Escalating U.S. Tariffs*:

to have contributed to a sharp contraction in U.S.-China trade in the first half of 2019. On August 1, 2019, President Trump stated that beginning on September 1, 2019, the United States would impose 10% tariffs on nearly all remaining imports from China.<sup>57</sup> His Administration later exempted some goods from the 10% tariffs and delayed the imposition of tariffs on other goods, but on August 23, 2019, the President also announced his intention to raise the tariff rate for these remaining imports from 10% to 15%.<sup>58</sup> The President has sometimes suggested what some observers characterize as an ambivalence toward the trade relationship. In reference to the persistent large size of the U.S. trade deficit with China, the President stated on August 1, 2019, “If they don’t want to trade with us anymore, that would be fine with me. We’d save a lot of money.”<sup>59</sup>

## Trade

According to U.S. trade data, U.S. exports of goods and services to China totaled \$178.0 billion (7.1% of total U.S. exports) in 2018, while imports from China amounted to \$558.8 billion (17.9% of total U.S. imports). As a result, the overall bilateral deficit was \$380.8 billion, up \$43.6 billion (12.9%) from 2017.

### *Trade in Goods*

U.S. goods exports to China totaled \$120.8 billion in 2018, a 7.3% (\$9.4 billion) decrease from the 2017 level (see **Table 3**). The value of U.S. goods imports from China was \$540.4 billion over the same period, up 6.8% (\$34.4 billion) from 2017. The decrease in U.S. exports and increase in U.S. imports resulted in a \$43.8 billion (11.7%) increase in the bilateral trade deficit, to \$419.6 billion. Exports to China accounted for 7.2% of all U.S. goods exports, while imports from China accounted for 21.1% of all U.S. goods imports.

**Table 3. U.S.-China Trade in 2018**

	U.S.\$ (billions)	% Change from 2017*
<b>Total U.S. Exports to China</b>	178.0	-4.5
Exports of Goods	120.8	-7.3
Exports of Services	57.1	2.0
<b>Total U.S. Imports from China</b>	558.8	6.7
Imports of Goods	540.4	6.8
Imports of Services	18.3	5.1
<b>Total Balance (Deficit)</b>	-380.8	12.9
Balance on Goods (Deficit)	-419.6	11.7
Balance on Services (Surplus)	38.8	0.6

*Timeline*, coordinated by Brock R. Williams; CRS Insight IN10971, *Escalating U.S. Tariffs: Affected Trade*, coordinated by Brock R. Williams; and CRS Insight IN11135, *U.S. Trade Friction with China Intensifies*, by Wayne M. Morrison.

<sup>57</sup> President Donald J. Trump on Twitter, August 1, 2019, <https://twitter.com/realdonaldtrump/status/1156979446877962243>.

<sup>58</sup> Donald J. Trump on Twitter, August 23, 2019, <https://twitter.com/realdonaldtrump/status/1165005929831702529>.

<sup>59</sup> The White House, “Remarks by President Trump Before Marine One Departure,” August 1, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-marine-one-departure-56/>.

**Source:** U.S. Bureau of Economic Analysis, Department of Commerce, June 20, 2019.

**Note:** \*not adjusted for inflation.

Top U.S. goods exports to China in 2018 were capital goods, not including automotive products (\$52.9 billion or 43.8% of U.S. goods exports to China), industrial supplies (\$40 billion or 33.1%), and automotive vehicles and parts (\$10.4 billion or 8.6%). Leading U.S. goods imports from China were consumer goods, not including food and automotive (\$248.2 billion or 45.9% of U.S. goods imports from China), industrial supplies (\$55.6 billion or 10.3%), and automotive vehicles and parts (\$23.1 billion or 4.28%).

China has levied retaliatory tariffs on most U.S. agricultural and food products. The tariffs reportedly contributed to the sharp overall decline of these exports to China (particularly of U.S. soybeans) in 2018.<sup>60</sup> Total U.S. agricultural exports to China amounted to \$9.1 billion, a decline of 53.0% from 2017, while the value of U.S. agricultural imports from China was \$4.9 billion, up 8.9% from 2017.<sup>61</sup> China's share of total U.S. agricultural exports declined from 14.1% in 2017 to 6.6% in 2018.

### *Trade in Services*

In 2018, U.S. services exports to China totaled \$57.1 billion (up 2.0% or \$1.1 billion), while U.S. imports of services from China grew 5.1% (\$887 million) to \$18.3 billion. The bilateral trade surplus in services stood at \$38.8 billion (up 0.6% from 2017). Exports to China accounted for 6.9% of all U.S. services exports, while imports from China accounted for 3.2% of all U.S. services imports.

Travel represented the largest category of U.S. services exports to China, accounting for 56.1% (\$32.1 billion). Other significant categories were charges for the use of IP rights (14.8% of all services exports to China or \$8.5 billion) and transport (9.3% or \$5.3 billion). Leading U.S. services imports from China were transport (27.4% of all services imports from China or \$5.0 billion) and travel (24.7% or \$4.5 billion).

## **Investment**

### *Foreign Direct Investment*<sup>62</sup>

Despite a surge in U.S. foreign direct investment (FDI) in China following the PRC's entry into the World Trade Organization (WTO) in 2001, levels of investment have remained relatively low. China's foreign investment regulatory regime, combined with policies or practices that favor state-owned enterprises (SOEs), has traditionally limited the sectors open to—and levels of—foreign investment. Amid trade tensions, a U.S. vetting regime with a newly broadened scope for reviewing certain foreign investments for national security implications, and tighter Chinese regulations on capital outflows, Chinese FDI in the United States has slowed since 2016.

<sup>60</sup> For more detail, see CRS In Focus IF11085, *China's Retaliatory Tariffs on U.S. Agricultural Products*, by Jenny Hopkinson, and CRS Report R45448, *Profiles and Effects of Retaliatory Tariffs on U.S. Agricultural Exports*, by Jenny Hopkinson.

<sup>61</sup> U.S. Department of Agriculture, USDA Global Access Trading System (GATS), FATUS Total Agricultural Exports and Imports.

<sup>62</sup> For more detail, see CRS In Focus IF11283, *U.S.-China Investment Ties: Overview and Issues for Congress*, by Andres B. Schwarzenberg.

According to the U.S. Bureau of Economic Analysis, net U.S. FDI flows to China in 2018—the most recent year for which data are available—were \$7.6 billion (down 22.9% from 2017), while net Chinese FDI flows into the United States were negative (-\$754 million, compared to \$25.4 billion in 2016), as outflows exceeded inflows (e.g., asset divestitures).<sup>63</sup> Additionally, the stock of U.S. FDI in China was \$116.5 billion (up 8.3% from 2017), while that of China in the United States was \$60.2 billion (up 3.7%), on an ultimate beneficiary ownership (UBO) basis.<sup>64</sup> China accounts for approximately 2.0% of total U.S. FDI stock abroad.

### *China's Holdings of U.S. Treasury Securities*

As of May 2019, approximately three-fourths (or \$1.1 trillion) of China's total U.S. public and private holdings are Treasury securities, which investors generally consider to be “safe-haven” assets.<sup>65</sup> Chinese ownership of these securities has decreased in recent years from its peak of \$1.3 trillion in 2011. Nevertheless, it remains significantly higher than in 2002, both in dollar terms (up over \$1 trillion) and as a percentage of total foreign holdings (from 8.5% to 17.0%). In 2009, China overtook Japan to become the largest foreign holder of Treasury securities.

## **Military-to-Military Relations**

The United States and China formalized military ties in 1979, the year the two countries established diplomatic relations, although they had cooperated on some security issues previously. The two countries enjoyed high levels of military cooperation until the PRC's 1989 military crackdown in Tiananmen Square, after which the United States suspended military engagement. The Clinton Administration in 1993 resumed military ties, reportedly in an attempt to reassure Chinese military leaders of the United States' benign intentions toward China, but military relations never again achieved the scope and depth of the previous decade.<sup>66</sup>

China on several occasions suspended military ties when it perceived the United States to have harmed Chinese interests (for example, in response to U.S. arms sales to Taiwan). In 1999, Congress included a provision in the National Defense Authorization Act for FY2000 (P.L. 106-65) placing restrictions on military relations with China. The act states that the Secretary of Defense may not authorize any military contact with the PLA that would “create a national security risk due to an inappropriate exposure” of the PLA to 12 operational areas of the U.S. military.<sup>67</sup>

In recent years, U.S.-China military exchanges have included high-level visits, recurrent exchanges between defense officials, and functional and academic exchanges (see **Table 4**).

<sup>63</sup> U.S. Department of Commerce, Bureau of Economic Analysis, “International Data: Direct Investment and MNE,” July 24, 2019.

<sup>64</sup> FDI stock, or FDI position, captures the cumulative value of investments at a single point in time. According to the U.S. Bureau of Economic Analysis, ultimate beneficiary ownership refers to the “person, or entity, that ultimately owns or controls a U.S. affiliate of a foreign company and that derives the benefits associated with ownership or control.”

<sup>65</sup> U.S. Department of the Treasury, “Foreign Residents' Portfolio Holdings of U.S. Securities,” April 30, 2019.

<sup>66</sup> Robert G. Sutter, *Shaping China's Future in World Affairs: The Role of the United States*, 1996.

<sup>67</sup> The 12 areas are force projection operations, nuclear operations, advanced combined-arms and joint combat operations, advanced logistical operations, chemical and biological defense and other capabilities related to weapons of mass destruction, surveillance and reconnaissance operations, joint warfighting experiments and other activities related to transformations in warfare, military space operations, other advanced capabilities, arms sales or military-related technology transfers, release of classified or restricted information, and access to a U.S. Department of Defense laboratory. The FY2000 NDAA (P.L. 106-65) requires the Secretary of Defense to inform Congress annually about any contacts with the PLA that violate the act.

According to U.S. Department of Defense (DOD) reports, the frequency of these engagements has declined in recent years, from 30 in 2016 to 12 planned for 2019.<sup>68</sup> The two militaries also occasionally engage in multilateral fora, such as multinational military exercises, and coordinate or de-conflict activities such as counterpiracy patrols in the Gulf of Aden.

DOD reporting indicates U.S. objectives for military-to-military relations with China have narrowed in recent years from a broader focus on building trust and fostering cooperation on security issues of mutual interest to a narrower focus on risk reduction.<sup>69</sup> The Trump Administration has been more vocal than past Administrations in expressing its concerns about China's military, and frictions have occasionally flared into public view. Eighteen "unsafe and/or unprofessional interactions" between U.S. and PRC military forces in the maritime realm have occurred since 2016, according to a U.S. Pacific Fleet spokesperson.<sup>70</sup>

In late May 2018, the United States disinvited China from the 2018 iteration of the biennial U.S.-led multinational Rim of the Pacific (RIMPAC) maritime exercise in response to China's continued militarization of its outposts in the South China Sea.<sup>71</sup> In September 2018, the U.S. Treasury Department sanctioned the PLA's Equipment Development Department and its head for arms purchases from Russia under the Countering America's Adversaries through Sanctions Act (CAATSA) (P.L. 115-44).<sup>72</sup> The PRC's response to that action, and a September 2018 U.S. arms sale to Taiwan, included suspension of the two militaries' year-old Joint Staff Dialogue.<sup>73</sup>

These tensions notwithstanding, both countries appear committed to military-military engagement. Then-U.S. Secretary of Defense Jim Mattis and Chinese Defense Minister Wei Fenghe met three times in 2018.<sup>74</sup> At a meeting of the two countries' Diplomatic and Security Dialogue in November 2018, they "recognized that the U.S.-China military-to-military

<sup>68</sup> U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019*, May 2, 2019, p. 119; U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2018*, May 16, 2018, pp. 106-109; U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, May 15, 2017, pp. 85-89; *Department of Defense, Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016*, April 26, 2016, pp. 96-101.

<sup>69</sup> DOD's most recent report to Congress on China's military states: "In 2018, DoD's plan for military-to-military contacts with China focused on three interconnected priorities: (1) encouraging China to act in ways consistent with the free and open international order; (2) promoting risk reduction and risk management efforts that diminish the potential for misunderstanding or miscalculation; and (3) deconflicting forces operating in close proximity. U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019*, May 2, 2019, p. 107.

<sup>70</sup> Ryan Browne, "US Navy has had 18 Unsafe or Unprofessional Encounters with China Since 2016," CNN, November 3, 2018, <https://www.cnn.com/2018/11/03/politics/navy-unsafe-encounters-china/index.html>.

<sup>71</sup> U.S. Department of Defense, "Remarks by Secretary Mattis at Plenary Session of the 2018 Shangri-La Dialogue," June 2, 2018, <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1538599/remarks-by-secretary-mattis-at-plenary-session-of-the-2018-shangri-la-dialogue/>.

<sup>72</sup> U.S. Department of the Treasury, "CAATSA—Russia-Related Designations," September 20, 2018, [https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20180920\\_33.aspx](https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20180920_33.aspx).

<sup>73</sup> U.S. Defense Security Cooperation Agency, "Taipei Economic and Cultural Representative Office in the United States (TECRO)—Foreign Military Sales Order (FMSO) II Case," Transmittal No. 18-09, September 24, 2018, <http://www.dsca.mil/major-arms-sales/taipei-economic-and-cultural-representative-office-united-states-tecro-foreign>; Robert Burns, "China Denies Request for a Hong Kong Port Call by USS Wasp," Associated Press, September 25, 2018, <https://www.military.com/daily-news/2018/09/25/china-denies-request-hong-kong-port-call-uss-wasp.html>; Jane Perlez, "China Cancels High-level Security Talks with the U.S." *New York Times*, September 30, 2018, <https://www.nytimes.com/2018/09/30/world/asia/china-us-security-mattis.html>.

<sup>74</sup> The two men met in Beijing in June 2018, in Singapore in October, 2018, and in Washington, DC, for the second meeting of the D&SD in November 2018.



relationship could be a stabilizing factor for the overall bilateral relationship, and committed to a productive mil-mil relationship.”<sup>75</sup> In May 2019 remarks, Assistant Secretary of Defense for Indo-Pacific Security Affairs Randall Schriver echoed this sentiment, saying, “We continue to pursue a constructive result-oriented [military-to-military] relationship between our countries.”<sup>76</sup>

**Table 4. Select Security and Military Dialogues, 2009-Present**

Dialogue Name	Rank/Level of Current Cochairs	Years Convened	Notes
Diplomatic and Security Dialogue (est. 2017)	Secretaries of State and Defense   CPC Politburo Member responsible for foreign affairs	2017, 2018	PRC Minister of Defense attended 2018 meeting, but the PRC has not designated him a cochair
Defense Consultative Talks (est. 1997)	Undersecretary of Defense for Policy   PRC cochair position vacant	2009-2014	In hiatus since 2014
Asia-Pacific Security Dialogue (est. 2015)	Assistant Secretary of Defense for Indo-Pacific Security Affairs   Director, CPC Central Military Commission Office of International Military Cooperation	2015, 2017, 2019	Forum for discussion of regional security issues
Defense Policy Coordination Talks (est. 2006)	Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs   Deputy Director, CPC Central Military Commission Office of International Military Cooperation	2009-2018 (planned for 2019)	Sets annual agenda for military exchanges
Maritime Military Consultative Agreement Talks (est. 1998)	Various	2009-2018 (planned for 2019)	Forum for discussion of concerns about air and maritime operational safety
Joint Staff Dialogue Mechanism (est. 2017)	Director of Joint Staff J5   Deputy Chief of Central Military Commission Joint Staff Department	2017 (planned for then suspended in 2018; planned for 2019)	Dialogue to reduce risks from miscalculations

**Source:** U.S. Department of Defense, U.S. Department of State.

**Notes:** The PRC established the Central Military Commission Office of International Military Cooperation in 2016; its predecessor organization was the Ministry of National Defense Foreign Affairs Office.

## U.S. Foreign Assistance in China

Since 2001, U.S. assistance efforts in China have aimed to support human rights, democracy, rule of law, and environmental programs and to promote sustainable development and environmental conservation and preserve indigenous culture in Tibetan areas in China. The U.S. government

<sup>75</sup> U.S. Department of State, “U.S.-China Diplomatic and Security Dialogue,” November 9, 2018, <https://www.state.gov/u-s-china-diplomatic-and-security-dialogue-3/>.

<sup>76</sup> U.S. Department of Defense, “Assistant Secretary of Defense for Indo-Pacific Security Affairs Schriver Press Briefing on the 2019 Report on Military and Security Developments in China,” May 3, 2019, <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1837011/assistant-secretary-of-defense-for-indo-pacific-security-affairs-schriver-press/source/GovDelivery/>.

does not provide assistance to PRC government entities or directly to Chinese NGOs. The direct recipients of Department of State and U.S. Agency for International Development (USAID) grants have been predominantly U.S.-based nongovernmental organizations (NGOs) and universities.<sup>77</sup>

Between 2001 and 2018, the U.S. government provided approximately \$241 million for programs in China administered by the Department of State's Bureau of Democracy, Human Rights, and Labor (DRL); \$99 million for Tibetan programs; \$72 million for rule of law and environmental efforts in the PRC; \$43 million for health programs in China focused upon HIV/AIDS prevention, care, and treatment and countering the spread of pandemic diseases; and \$8.0 million for criminal justice reform.<sup>78</sup> DRL programs across China have supported rule of law development, civil society, government transparency, public participation in government, and internet freedom. Since 1993, Peace Corps volunteers have engaged in environmental awareness programs and teaching English as a second language in China.<sup>79</sup> Since 2015, Congress has appropriated funds for Tibetan communities in India and Nepal (\$6 million in FY2019). Since 2018, Congress has provided an additional \$3 million annually to strengthen institutions and governance in the Tibetan exile communities. (See **Table 5.**)

**Table 5. U.S. Foreign Assistance Programs in China (Department of State and USAID), FY2013-FY2018**

(Constant \$US thousands)

<b>Account (Program)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 est.</b>
Economic Support Fund and Democracy Fund (administered by State-DRL)	10,000	10,000	13,000	12,000	11,000	10,000
Economic Support Fund (Tibetan Areas—administered by USAID)	7,032	7,000	7,900	8,000	8,000	8,000
Economic Support Fund (rule of law, environment—administered by USAID)	3,092	3,000	3,500	5,000	5,000	5,000
Global Health Programs (USAID)	2,977	1,500	0	1,500	1,500	0
International Narcotics Control and Law Enforcement (criminal justice—administered by State-INL) <sup>a</sup>	823	800	825	800	800	2,000
<b>Totals</b>	<b>23,924</b>	<b>22,300</b>	<b>25,225</b>	<b>27,300</b>	<b>26,300</b>	<b>25,000</b>
Peace Corps	3,200	2,500	4,100	4,200	4,200	4,100

<sup>77</sup> For further information, see CRS Report RS22663, *U.S. Assistance Programs in China*, by Thomas Lum.

<sup>78</sup> Criminal Justice programs are administered by the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL).

<sup>79</sup> Peace Corps, "Peace Corps in China," <https://www.peacecorps.gov/china/>.

**Source:** U.S. Department of State.

a. INL—Bureau of International Narcotics and Law Enforcement Affairs.

The Consolidated Appropriations Act, 2019 (P.L. 116-6) appropriated an estimated \$25.8 million for programs in China. This total includes ESF funding of \$17 million for programs in China (non-Tibetan areas), ESF of \$8 million for Tibetan areas in China, and INCLE funding of \$800,000 for rule of law programs. Of the ESF appropriation for non-Tibetan areas, DRL administers human rights and democracy programs amounting to \$11 million. In addition, P.L. 116-6 provided \$17.5 million for Global Internet Freedom efforts, of which China programs are a major recipient.

The FY2020 Department of State foreign operations budget justification does not include a funding request for programs in China. Appropriations for such programs are determined largely by congressional foreign operations appropriations legislation.

## Select Issues in the Bilateral Relationship

### Economic Issues

#### Section 301 Investigation and Tariffs

In March 2018, the USTR released the findings of an investigation into PRC policies related to technology transfer, IP, and innovation under Sections 301-308 of the Trade Act of 1974 (19 U.S.C. 2411-2418).<sup>80</sup> The investigation concluded that four IP rights-related PRC policies justified U.S. action: forced technology transfer requirements; cyber-enabled theft of U.S. IP and trade secrets; discriminatory and nonmarket licensing practices; and state-funded strategic acquisition of U.S. assets. Subsequently, the Trump Administration imposed increased 25% tariffs on three tranches of imports from China worth approximately \$250 billion (see **Table 6**). China in turn raised tariffs (at rates ranging from 5% to 25%) on approximately \$110 billion worth of U.S. products.

After negotiations to resolve the standoff broke down in May 2019, the President ordered the USTR to begin the process of levying increased 25% tariffs on nearly all remaining imports from China.<sup>81</sup> Following a 12<sup>th</sup> round of talks between U.S. and Chinese trade negotiators in Shanghai at the end of July 2019, the President on August 1, 2019, announced that the United States would impose additional 10% tariffs on these remaining imports beginning September 1, 2019.<sup>82</sup> On August 13, 2019, the Trump Administration announced that some imports from China previously identified as potentially subject to the additional 10% tariffs would be exempted “based on health, safety, national security and other factors,” and that for some other imports from China, including

<sup>80</sup> The White House, “Presidential Memorandum on the Actions by the United States Related to the Section 301 Investigation,” March 22, 2018. For more detail, see CRS Insight IN10943, *Escalating U.S. Tariffs: Timeline*, coordinated by Brock R. Williams; CRS Insight IN10971, *Escalating U.S. Tariffs: Affected Trade*, coordinated by Brock R. Williams; and CRS Insight IN11135, *U.S. Trade Friction with China Intensifies*, by Wayne M. Morrison.

<sup>81</sup> Office of the U.S. Trade Representative, “Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation,” 84 *Federal Register* 20459, May 9, 2019, <https://www.federalregister.gov/documents/2019/05/09/2019-09681/notice-of-modification-of-section-301-action-chinas-acts-policies-and-practices-related-to>.

<sup>82</sup> Donald J. Trump on Twitter, August 1, 2019, <https://twitter.com/realdonaldtrump/status/1156979446877962243>.

cell phones, laptop computers, video game consoles, computer monitors, and some toys and footwear and clothing items, the additional 10% tariffs would be delayed until December 15.<sup>83</sup>

China responded to the President's August 1, 2019, announcement by allowing its currency, the *renminbi* or RMB, to weaken against the U.S. dollar, making Chinese exports more competitive abroad, and in part "offsetting" the impact of U.S. tariffs. Chinese companies also suspended new purchases of U.S. agricultural products.<sup>84</sup> On August 23, 2019, China's Ministry of Finance announced plans to impose retaliatory tariffs of 5% to 10% on \$75 billion worth of imports from the United States. Tariffs on some products took effect on September 1, 2019; tariffs on the rest are to go into effect on December 15, 2019.<sup>85</sup> The Ministry also announced restoration of 5%-25% tariffs on U.S. autos and auto parts, to go into effect December 15, 2019.<sup>86</sup>

President Trump responded, in turn, to China's tariff announcements by stating that he would increase the tariff rate for \$250 billion worth of imports from China from 25% to 30%, effective October 1, 2019, and that he would increase the proposed tariff rate for the remaining imports from China from 10% to 15%, to go into effect for some products on September 1, 2019, and for other products on December 15, 2019.<sup>87</sup>

Trade negotiators from the two sides are scheduled to meet for a 13<sup>th</sup> round of negotiations in Washington, DC, in September 2019.

**Table 6. U.S. Section 301 Tariff Actions**

Date U.S. Tariffs Imposed	Tariff Rates ( <i>ad valorem</i> )	Stated Value of Imports Affected	China's Reaction
07/06/2018, 10/01/2019 (proposed)	25%, proposed to rise to 30%	\$34 billion	25% tariffs on \$34 billion of U.S. goods (effective 7/06/2018)

<sup>83</sup> Office of the U.S. Trade Representative, "USTR Announces Next Steps on Proposed 10 Percent Tariff on Imports from China," August 13, 2019, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/august/ustr-announces-next-steps-proposed>; Office of the U.S. Trade Representative, "Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation," 84 *Federal Register* 43304, August 20, 2019, <https://www.federalregister.gov/documents/2019/08/20/2019-17865/notice-of-modification-of-section-301-action-chinas-acts-policies-and-practices-related-to>.

<sup>84</sup> Ministry of Commerce of the PRC, "中国相关企业暂停新的美国农产品采购" ("Relevant Chinese Enterprises Suspending New Purchases of U.S. Agricultural Products") (CRS translation), August 6, 2019, <http://www.mofcom.gov.cn/article/ae/ag/201908/20190802887951.shtml>; Hallie Gu and Tom Daly, "U.S. Farmers Suffer 'Body Blow' as China Slams Door on Farm Purchases," Reuters, August 5, 2019.

<sup>85</sup> Ministry of Finance of the PRC, "国务院关税税则委员会关于对原产于美国的部分进口商品（第三批）加征关税的公告" ("Customs Tariff Commission of the State Council Notice on Increased Tariffs for Some Products of U.S. Origin (Third Tranche)") (CRS translation), August 23, 2019, [http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201908/t20190823\\_3372928.html](http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201908/t20190823_3372928.html).

<sup>86</sup> Ministry of Finance of the PRC, "国务院关税税则委员会关于对原产于美国的汽车及零部件恢复加征关税的公告" ("Customs Tariff Commission of the State Council Notice on Restoration of Tariffs on U.S.-Manufactured Autos and Parts"), August 23, 2019, [http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201908/t20190823\\_3372941.html](http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201908/t20190823_3372941.html).

<sup>87</sup> Donald J. Trump on Twitter, August 23, 2019, <https://twitter.com/realdonaldtrump/status/1165005929831702529>; Office of the United States Trade Representative, "Request for Comments Concerning Proposed Modification of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation," 84 *Federal Register* 46212, September 3, 2019, <https://www.govinfo.gov/content/pkg/FR-2019-09-03/pdf/2019-18946.pdf>.

Date U.S. Tariffs Imposed	Tariff Rates (ad valorem)	Stated Value of Imports Affected	China's Reaction
08/23/2018, 10/01/2019 (proposed)	25%, proposed to rise to 30%	\$16 billion	25% tariffs on \$16 billion of U.S. goods (effective 8/23/2018)
09/24/2018, 06/15/2019, 10/01/2019 (proposed)	10%, then 25%, proposed to rise to 30%	\$200 billion	5%-10% tariff hikes on \$60 billion worth of imports from United States (effective 9/24/2018); then tariffs on some items raised to up to 25% (effective 6/01/2019)
09/01/2019 (initial tranche), 12/15/2019 second tranche) (proposed)	15%	\$300 billion	Allowed currency to depreciate; suspended new purchases of U.S. agricultural goods; announced 5%-10% tariffs on \$75 billion of imports from United States, (effective 9/01/2019 and 12/15/2019); announced restoration of 5%-25% tariffs on U.S. autos and auto parts, to go into effect 12/15/2019.

**Source:** CRS with data from USTR and China's Ministry of Finance

## Tariffs on Aluminum and Steel

In March 2018, President Trump issued a proclamation imposing a 10% tariff on aluminum and a 25% tariff on steel products from most countries, including China, based on “national security” justifications under Section 232 of the Trade Act of 1962 (P.L. 87-794; 19 U.S.C. §1862).<sup>88</sup> In response, China raised tariffs by 15% to 25% on \$3 billion worth of U.S. imports.<sup>89</sup> China is also pursuing legal action against the United States at the WTO.<sup>90</sup> In turn, the United States filed its own WTO complaints over China's retaliatory tariffs.<sup>91</sup>

## Alleged PRC Currency Manipulation

On August 5, the U.S. Treasury Department labeled China a currency manipulator under Section 3004 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418) and announced that Treasury Secretary Steven Mnuchin would “engage with the International Monetary Fund [IMF] to eliminate the unfair competitive advantage created by China's latest actions.”<sup>92</sup> In its annual review of China's economic policies, released on August 9, 2019, however, the IMF stated,

<sup>88</sup> Presidential Proclamation 9704 of March 8, 2018, “Adjusting Imports of Aluminum into the United States,” 83 *Federal Register* 11619, March 15, 2018, and Proclamation 9705 of March 8, 2018, “Adjusting Imports of Steel Into the United States,” 83 *Federal Register* 11625, March 15, 2018. Australia, Argentina, Canada, and Mexico negotiated exemptions from the tariffs. Brazil and South Korea gained exemptions from the steel tariffs but are still subject to aluminum tariffs.

<sup>89</sup> For more detail, see CRS Report R45249, *Section 232 Investigations: Overview and Issues for Congress*, coordinated by Rachel F. Fefer.

<sup>90</sup> World Trade Organization, “DS544: United States—Certain Measures on Steel and Aluminum Products,” January 25, 2019.

<sup>91</sup> USTR, “United States Challenges Five WTO Members Imposing Illegal Tariffs Against U.S. Products,” press release, July 2018, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/july/united-states-challenges-five-wto>.

<sup>92</sup> U.S. Department of the Treasury, “Treasury Designates China as a Currency Manipulator,” August 5, 2019, <https://home.treasury.gov/news/press-releases/sm751>; CRS Insight IN11154, *The Administration's Designation of China as a Currency Manipulator*, by Rebecca M. Nelson.

“[e]stimates suggest little FX [foreign exchange] intervention by” China’s central bank, the People’s Bank of China.<sup>93</sup>

## Bilateral Trade Deficit

President Trump has raised concerns about U.S. bilateral trade imbalances, particularly with China.<sup>94</sup> Some policymakers view the large U.S. trade deficit as an indicator of an unfair trade relationship resulting from Chinese trade barriers, such as comparatively high tariffs, and currency manipulation. Others view conventional bilateral trade deficit data as misleading, given multinational firms’ growing use of global supply chains.<sup>95</sup> Supporters of the latter view note that products may be invented or developed in one country and manufactured or assembled elsewhere—using imported components from multiple foreign sources—and then exported. Conventional U.S. trade data may not fully reflect the value added in each country, and thus are often a relatively poor indicator of who benefits from global trade.<sup>96</sup> Economists generally agree that the overall size of the trade deficit stems largely from U.S. macroeconomic policies and an imbalance between saving and investment in the economy, rather than from foreign trade barriers.<sup>97</sup>

## Industrial Policies

The Trump Administration, some Members of Congress, and others charge that the Chinese government employs policies, including subsidies, tax breaks, low-cost loans, trade and investment barriers, discriminatory IP and technology practices, and technology transfer mandates, to support and protect domestic firms, especially state-owned enterprises (SOEs). Chinese government plans, such as “Made in China 2025,” appear to signal an expanded role for the government in the economy, which many analysts fear could distort global markets and hurt the global competitiveness of U.S. firms.<sup>98</sup> Separately, some U.S. officials are concerned that participation by Chinese firms in certain global supply chains, such as information and

<sup>93</sup> International Monetary Fund, “People’s Republic of China: 2019 Article IV Consultation-Press Release; Staff Report; Staff Statement and Statement by the Executive Director for China,” Country Report No. 19/266, August 9, 2019.

<sup>94</sup> Office of the U.S. Trade Representative, “U.S. Trade Representative and the U.S. Department of Treasury respond to the ‘White Paper’ issued by China on June 2, 2019,” press release, June 3, 2019, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/june/us-trade-representative-and-us>.

<sup>95</sup> For more detail, see CRS In Focus IF10619, *The U.S. Trade Deficit: An Overview*, by James K. Jackson; CRS Report R45243, *Trade Deficits and U.S. Trade Policy*, by James K. Jackson; and CRS Report RL33274, *Financing the U.S. Trade Deficit*, by James K. Jackson.

<sup>96</sup> For a discussion on the limitations of trade data, see CRS Report R45434, *U.S. Trade with Major Trading Partners*, by Andres B. Schwarzenberg.

<sup>97</sup> James McBride and Andrew Chatzky, “The U.S. Trade Deficit: How Much Does It Matter?” Background, Council on Foreign Relations, March 8, 2019, <https://www.cfr.org/backgrounder/us-trade-deficit-how-much-does-it-matter>; Congressional Budget Office, “Causes and Consequences of the Trade Deficit: An Overview,” CBO Memorandum, March 2000, <https://www.cbo.gov/sites/default/files/106th-congress-1999-2000/reports/tradedef.pdf>; and CRS Report R45243, *Trade Deficits and U.S. Trade Policy*, by James K. Jackson.

<sup>98</sup> See U.S. Chamber of Commerce, *Made in China 2025: Global Ambitions Built on Local Protections*, March 5, 2017, [https://www.uschamber.com/sites/default/files/final\\_made\\_in\\_china\\_2025\\_report\\_full.pdf](https://www.uschamber.com/sites/default/files/final_made_in_china_2025_report_full.pdf); CRS In Focus IF10964, *The Made in China 2025 Initiative: Economic Implications for the United States*, by Wayne M. Morrison; and “Made In China 2025: The Domestic Tech Plan That Sparked an International Backlash,” SupChina, June 28, 2018, <https://supchina.com/2018/06/28/made-in-china-2025/>.



communications technology (ICT) products and services, could pose risks to U.S. national security, primarily because of PRC firms' relationships with the Chinese state.

## Intellectual Property Rights (IPR) and Cyber-Theft

As noted in the Section 301 investigation, the Trump Administration considers Chinese IPR violations to be a major source of U.S. economic losses. U.S. firms cite lax IPR enforcement as one of the biggest challenges to doing business in China, and some view the enforcement shortfalls as a deliberate effort by the Chinese government to give domestic firms an advantage over foreign competitors. In 2018, the U.S. National Counterintelligence and Security Center described China as having “expansive efforts in place to acquire U.S. technology to include sensitive trade secrets and proprietary information.” It warned that if the threat is not addressed, “it could erode America’s long-term competitive economic advantage.”<sup>99</sup>

The U.S. government’s first charges against a state actor for cyber-enabled economic espionage were against China. In May 2014, the Obama Administration Justice Department indicted five PRC military officers for hacking into and stealing secrets from U.S. firms in the nuclear power, metals, and solar products industries.<sup>100</sup> All those indicted remain at large. In September 2015, the Obama Administration and China reached a bilateral agreement on cybersecurity during President Xi’s state visit to the United States. Under that agreement, Presidents Xi and Obama pledged that neither country’s government would conduct or knowingly support cyber-enabled theft of intellectual property for commercial purposes.<sup>101</sup> In February 2018 testimony to Congress, the U.S. intelligence community assessed that PRC cyber activity continued, but at “volumes significantly lower than before” the 2015 agreement.<sup>102</sup> In October 2018, however, the cofounder of cybersecurity firm CrowdStrike asserted that after a lull, China was “back to stealing intellectual property on a massive scale.”<sup>103</sup> In 2019, the intelligence community’s testimony to Congress stated, “China remains the most active strategic competitor responsible for cyber espionage against the US Government, corporations, and allies.”<sup>104</sup>

## Advanced Technology and Huawei<sup>105</sup>

The Trump Administration has raised national security concerns over global supply chains of advanced technology products, such as ICT equipment, where China is a major global producer

<sup>99</sup> U.S. National Counterintelligence and Security Center, *Foreign Economic Espionage in Cyberspace*, 2018, July 26, 2018, <https://www.dni.gov/files/NCSC/documents/news/20180724-economic-espionage-pub.pdf>.

<sup>100</sup> U.S. Department of Justice, “U.S. Charges Five Chinese Military Hackers for Cyber Espionage Against U.S. Corporations and a Labor Organization for Commercial Advantage,” May 19, 2014, <https://www.justice.gov/opa/pr/us-charges-five-chinese-military-hackers-cyber-espionage-against-us-corporations-and-labor>. United States District Court Western District of Pennsylvania, *United States of America v. Wang Dong, Sun Kailiang, Wen Xinyu, Huang Zhenyu, and Gu Chunhui*, May 1, 2014.

<sup>101</sup> White House, “Fact Sheet: President Xi Jinping’s State Visit to the United States,” September 25, 2015.

<sup>102</sup> Testimony of Director of National Intelligence Daniel R. Coats, “Worldwide Threat Assessment of the U.S. Intelligence Community,” before Senate Select Committee on Intelligence, February 13, 2018, <https://www.dni.gov/files/documents/Newsroom/Testimonies/2018-ATA—Unclassified-SSCI.pdf>.

<sup>103</sup> Ken Dilanian, “China’s Hackers are Stealing Secrets from U.S. Firms Again, Experts Say,” NBC News, October 9, 2018, <https://www.nbcnews.com/news/china/china-s-hackers-are-stealing-secrets-u-s-firms-again-n917836>.

<sup>104</sup> Testimony of Director of National Intelligence Daniel R. Coats, “Worldwide Threat Assessment of the U.S. Intelligence Community,” before U.S. Congress, Senate Select Committee on Intelligence, January 29, 2019, <https://www.dni.gov/files/ODNI/documents/2019-ATA-SFR—SSCI.pdf>.

<sup>105</sup> For more on Huawei, see CRS Report R45485, *Fifth-Generation (5G) Telecommunications Technologies: Issues for Congress*, by Jill C. Gallagher and Michael E. DeVine, and CRS In Focus IF11251, *National Security Implications of*

and supplier. In 2017, the President blocked a proposed Chinese acquisition of a U.S. semiconductor firm on national security grounds.<sup>106</sup> On May 15, 2019, citing a “national emergency,” President Trump signed Executive Order 13873, authorizing the Secretary of Commerce to ban certain technology transactions involving “foreign adversaries.”<sup>107</sup>

The Trump Administration has subjected Chinese telecommunications firm Huawei Technologies Co., Ltd. to particular scrutiny. On May 16, 2019, the U.S. Department of Commerce added Huawei and 68 of its non-U.S. affiliates to the Bureau of Industry and Security’s (BIS’s) Entity List, generally requiring U.S. companies to apply for an export license for the sale or transfer of U.S. technology to those entities, with a “presumption of denial” for such applications. The BIS entity list decision cites “reasonable cause to believe Huawei has been involved in activities contrary to the national security or foreign policy interests of the United States,” and notes Huawei’s indictment in the U.S. District Court for the Eastern District of New York on charges of violating Iran sanctions.<sup>108</sup> On May 20, 2019, BIS eased the effect of the entity list decision by issuing a three-month temporary general license authorizing some continued transactions with Huawei and its non-U.S. affiliates.<sup>109</sup> On August 19, 2019, BIS added an additional 46 non-U.S. Huawei affiliates to the entity list, while also extending the temporary general license for another three months, to November 18, 2019.<sup>110</sup>

In apparent response to U.S. actions, China’s Ministry of Commerce in June 2019 announced plans for its own “unreliable entities list,” to include foreign entities that damage “the legitimate rights and interests” of Chinese firms or “boycott or cut off supplies to Chinese companies for non-commercial reasons.”<sup>111</sup>

Vice President Pence and U.S. Secretary of State Pompeo have repeatedly urged allies not to work with Huawei. In Ottawa, Canada, in May 2019, Pence argued, “The simple fact is that the legal framework within China gives the Chinese government access to information and data that is collected by Chinese companies like Huawei,” making Huawei “incompatible with the security interests of the United States of America or our allies in freedom-loving nations across the

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*Fifth Generation (5G) Mobile Technologies*, by John R. Hoehn and Kelley M. Saylor.

<sup>106</sup> U.S. Department of the Treasury, “Statement on The President’s Decision Regarding Lattice Semiconductor Corporation,” Press Center, September 13, 2017.

<sup>107</sup> The White House, “Executive Order on Securing the Information and Communications Technology and Services Supply Chain,” May 15, 2019, <https://www.whitehouse.gov/presidential-actions/executive-order-securing-information-communications-technology-services-supply-chain/>.

<sup>108</sup> U.S. Department of Commerce, Bureau of Industry and Security, “Addition of Entities to the Entity List,” 84 *Federal Register* 22961, May 21, 2019, <https://www.federalregister.gov/documents/2019/05/21/2019-10616/addition-of-entities-to-the-entity-list>.

<sup>109</sup> U.S. Department of Commerce, Bureau of Industry and Security, “Temporary General License,” 84 *Federal Register* 23468, May 22, 2019, <https://www.federalregister.gov/documents/2019/05/22/2019-10829/temporary-general-license>.

<sup>110</sup> U.S. Department of Commerce, Bureau of Industry and Security, “Addition of Certain Entities to the Entity List and Revision of Entries on the Entity List,” 84 *Federal Register* 43493, August 19, 2019, <https://www.federalregister.gov/documents/2019/08/21/2019-17921/addition-of-certain-entities-to-the-entity-list-and-revision-of-entries-on-the-entity-list>; U.S. Department of Commerce, Bureau of Industry and Security, “Temporary General License: Extension of Validity, Clarifications to Authorized Transactions, and Changes to Certification Statement Requirements, effective August 19, 2019,” 84 *Federal Register* 43487, August 21, 2019, <https://www.federalregister.gov/documents/2019/08/21/2019-17920/temporary-general-license-extension-of-validity-clarifications-to-authorized-transactions-and>.

<sup>111</sup> Ministry of Commerce of the PRC, “MOFCOM Spokesman Meets the Press on China’s Introduction of ‘Unreliable Entities List’ Regime,” June 1, 2019, <http://english.mofcom.gov.cn/article/newsrelease/press/201906/20190602873151.shtml>.

world.”<sup>112</sup> Pompeo warned European allies, partners, and friends in June 2019, “don’t do anything that would endanger our shared security interests or restrict our ability to share sensitive information.”<sup>113</sup> Of U.S. allies, only Australia has so far barred Huawei completely from its networks. China’s Foreign Ministry accuses the United States of seeking to “strangle [Chinese companies’] lawful and legitimate operations.”<sup>114</sup>

The Huawei issue has spilled into U.S.-Canada and Canada-China relations. In 2018, the United States requested that Canada detain top Huawei executive Meng Wanzhou, a daughter of Huawei’s founder, and charged her with financial fraud related to alleged violation of Iran sanctions. She faces possible extradition to the United States. China has retaliated against Canada by detaining and later arresting Canadians Michael Kovrig and Michael Spavor on state secrets charges and cutting off imports first of Canadian canola seed, and then of Canadian meat.<sup>115</sup>

### China’s Status as a “Developing Country” in the WTO

The 164-member WTO allows members to designate themselves as either developed or developing economies, with the latter eligible for special and differential treatment (SDT) both in the context of existing WTO obligations and in new negotiations. Developed countries, including the United States and the European Union, have expressed frustration at those rules, under which two-thirds of WTO members, including China, have designated themselves as “developing.”

On July 26, 2019, President Trump issued a “Memorandum on Reforming Developing-Country Status in the World Trade Organization.”<sup>116</sup> The President stated that the WTO dichotomy between developed and developing countries is outdated and “has allowed some WTO Members to gain unfair advantages in the international trade arena.” He specifically called out China, stating that “the United States has never accepted China’s claim to developing-country status, and virtually every current economic indicator belies China’s claim.” The President instructed USTR to work to reform the WTO self-declaration practice and, if no substantial progress is made within 90 days, to take certain unilateral actions, such as no longer treating a country as developing if the USTR believes that designation to be improper, and to publish a list of all economies USTR believes to be “inappropriately” claiming developing-economy status.

Responding to the U.S. memorandum, a PRC Foreign Ministry spokesperson insisted that the principle of SDT “reflects the core values and basic principles of the WTO” and “must be safeguarded no matter how the WTO is reformed.” At the same time, she stated that in claiming the status, “China does not intend to shy away from its due international responsibilities.” The U.S. position, she said, shows the United States to be “capricious, arrogant and selfish.”<sup>117</sup>

<sup>112</sup> The White House, “Remarks by Vice President Pence and Prime Minister Trudeau of Canada in Joint Press Statements | Ottawa, Canada,” May 30, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-prime-minister-trudeau-canada-joint-press-statements-ottawa-canada/>.

<sup>113</sup> U.S. Department of State, “Secretary of State Michael R. Pompeo and Dutch Foreign Minister Stef Blok at a Press Availability,” June 3, 2019, <https://www.state.gov/secretary-of-state-michael-r-pompeo-and-dutch-foreign-minister-stef-blok-at-a-press-availability/>.

<sup>114</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Geng Shuang’s Remarks on the U.S. Indictments of Huawei,” January 29, 2019.

<sup>115</sup> Maham Abedi, “Canada-China Tension: Why They Began and What’s Happened Since,” *Globe News* (Canada), June 27, 2019, <https://globalnews.ca/news/5433842/canada-china-detentions-trade-extradition/>.

<sup>116</sup> The White House, “Memorandum on Reforming Developing-Country Status in the World Trade Organization,” July 26, 2019, <https://www.whitehouse.gov/presidential-actions/memorandum-reforming-developing-country-status-world-trade-organization/>.

<sup>117</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press

## China's Belt and Road Initiative (BRI)

In 2013, President Xi launched two projects aimed at boosting economic connectivity across continents by land, an effort known as the “Silk Road Economic Belt,” and by sea, an effort known as the, “21<sup>st</sup> Century Maritime Silk Road.” Collectively, China refers to the two projects as the “Belt and Road Initiative” (BRI). Under the initiative, PRC institutions are financing transportation and energy infrastructure projects in dozens of countries and PRC government agencies are working to reduce investment and trade barriers and boost people-to-people ties. BRI is also intended to alleviate overcapacity in the Chinese economy, bring new economic activity to China's western provinces, and promote PRC diplomatic and security interests, including securing energy supply routes and perhaps facilitating future Chinese military or intelligence use of Chinese-built ports and other infrastructure around the world.<sup>118</sup> The size and scale of PRC financing, investments, and loans issued under BRI is debated. China does not issue its own authoritative figures.

PRC financing has the potential to address serious infrastructure shortfalls in recipient countries, but China's initial implementation of BRI has sometimes been rocky. A June 2019 Asia Society Policy Institute report examines BRI projects in Southeast Asia and faults China for a “laissez-faire approach” that allows mainly Chinese developers “to benefit by cutting corners and evading responsibility for legal, social, labor, environmental, and other issues.” The report identifies such problems as rushed agreements, a failure to conduct feasibility studies and environmental and social impact assessments, and financing terms that create unsustainable debt for host governments. All those issues “have begun to alienate local communities and taint the BRI brand,” the report asserts.<sup>119</sup> Some countries have sought to renegotiate the terms of their BRI agreements.

The Trump Administration has adopted a sharply critical stance toward BRI. In his October 4, 2018, speech on China policy, Vice President Pence accused China of engaging in “so-called ‘debt diplomacy.’” The terms of PRC loans, he said, “are opaque at best, and the benefits flow overwhelmingly to Beijing.”<sup>120</sup> In Congress, the Better Utilization of Investments Leading to Development (BUILD) Act of 2018 (P.L. 115-254) established a new U.S. International Development Finance Corporation (IDFC) by consolidating existing U.S. government development finance functions. It is widely portrayed as a U.S. response to BRI.<sup>121</sup>

At the Second Belt and Road Forum in Beijing in April 2019, Xi appeared to respond to criticism from the United States and other countries when he referenced the “need to ensure the commercial and fiscal sustainability of all projects so that they will achieve the intended goals as planned.” He declared that in pursuing BRI, “everything should be done in a transparent way, and we should have zero tolerance for corruption.” He also vowed to “adopt widely accepted

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Conference,” July 29, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1684227.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1684227.shtml).

<sup>118</sup> U.S. Department of Defense (DOD), “Assessment on U.S. Defense Implications of China's Expanding Global Access,” report to Congress mandated by Section 1259b of the National Defense Authorization Act for FY2018 (P.L. 115-91), January 14, 2019, <https://media.defense.gov/2019/Jan/14/2002079292/-1/-1/1/EXPANDING-GLOBAL-ACCESS-REPORT-FINAL.PDF>.

<sup>119</sup> Daniel R. Russel and Blake Berger, “Navigating the Belt and Road Initiative,” Asia Society Policy Institute, June 2019, <https://asiasociety.org/policy-institute/belt-and-road-initiative>.

<sup>120</sup> The White House, “Remarks by Vice President Pence on the Administration's Policy Toward China,” October 4, 2018.

<sup>121</sup> CRS Report R45461, *BUILD Act: Frequently Asked Questions About the New U.S. International Development Finance Corporation*, by Shayerah Ilias Akhtar and Marian L. Lawson.

standards and encourage participating companies to follow general international rules and standards in project development, operation, procurement and tendering and bidding.”<sup>122</sup>

## Security Issues

### PRC Military Modernization

U.S. policymakers are concerned about the challenges that China’s ambitious military modernization program is now posing to U.S. interests in Asia and elsewhere. China’s military modernization program has emerged in recent years as a significant influence on U.S. defense strategy, plans, budgets, and programs, and the U.S.-China military competition has become a major factor in overall U.S.-China relations. Since 1978, the PRC has worked to transform the PLA from an infantry-heavy, low-technology, ground forces-centric military into a high-technology, networked force with an increasing emphasis on joint operations, maritime and information domains, offensive air operations, power projection, and cyber and space operations. The PLA is becoming a global military, as demonstrated by a navy increasingly capable of operating far from home. The PLA undertakes counterpiracy patrols in the Gulf of Aden, regular patrols in places like the South China Sea and the Indian Ocean, and task group and goodwill deployments all over the world, and in 2017 established China’s first-ever overseas military base in Djibouti.<sup>123</sup>

President Xi has set two major deadlines for the PLA: to complete its modernization process by 2035, and to become a “world class” military by 2049, the centenary of the establishment of the PRC.<sup>124</sup> According to China’s July 2019 defense white paper, China seeks to build “a fortified national defense and a strong military commensurate with the country’s international standing and its security and development interests” in service of several national defense aims.<sup>125</sup>

According to DOD, the PLA is seeking to develop “capabilities with the potential to degrade core U.S. operational and technological advantages.”<sup>126</sup> As China’s military advances, it increasingly is in a position to challenge U.S. dominance in certain domains, including air, space, and cyberspace, where the PLA has directed significant political, organizational, and financial resources in recent years. China also is investing heavily in advanced military technologies such

<sup>122</sup> “Xi’s Keynote Speech at the Opening Ceremony of the Second Belt and Road Forum for International Cooperation,” Xinhua, April 26, 2019, <https://eng.yidaiyilu.gov.cn/home/rolling/88233.htm>.

<sup>123</sup> U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2018*, May 16, 2018, pp. 66-67.

<sup>124</sup> According to DOD, “[S]ome observers have interpreted [the “world-class” goal] as meaning developing capabilities on par with other global militaries, especially the United States.” U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2019*, May 2, 2019, p. 14.

<sup>125</sup> These aims are: “(1) to deter and resist aggression; (2) to safeguard national political security, the people’s security, and social stability; (3) to oppose and contain ‘Taiwan independence’; (4) to crack down on opponents of separatist movements such as ‘Tibet independence’ and the creation of ‘East Turkestan’; (5) to safeguard national sovereignty, unity, territorial integrity and security; (6) to safeguard China’s maritime rights and interests; (7) to safeguard China’s security interests in outer space, electromagnetic space and cyberspace; (8) to safeguard China’s overseas interests; and (9) to support the sustainable development of the country.” PRC State Council Information Office, *China’s National Defense in the New Era*, July 2019, [http://english.scio.gov.cn/2019-07/24/content\\_75026800\\_3.htm](http://english.scio.gov.cn/2019-07/24/content_75026800_3.htm).

<sup>126</sup> U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2019*, May 2, 2019, p. iii.



as autonomous and unmanned systems, maneuverable reentry vehicles (including hypersonic missiles), and artificial intelligence and other enabling technologies.<sup>127</sup>

Chinese officials insist China's military posture is defensive in nature. In January 2018, a spokesperson for China's Ministry of National Defense stated, "China resolutely follows the path of peaceful development and upholds a defensive national defense policy." The spokesperson added, "China is not interested in dominance."<sup>128</sup>

## North Korea

The United States and China have both committed to the goal of denuclearization of North Korea, but have sometimes disagreed on the best path toward that goal. Between 2006 and 2017, China voted for U.N. Security Council Resolutions imposing ever stricter sanctions on North Korea over its nuclear weapons and missile programs, though it often sought to weaken the resolutions first. With China sharing a 880-mile border and serving as North Korea's primary trading partner, the Trump Administration deems China's sanctions implementation to be "at times inconsistent, but critical."<sup>129</sup>

The Treasury Department has designated mainland China-based companies, Hong Kong-based shipping companies, and PRC nationals for alleged violations of U.S. North Korea sanctions.<sup>130</sup> In both 2018 and 2019, the United States led efforts to request that a U.N. sanctions committee declare that North Korea had procured refined petroleum products at levels greater than U.N. sanctions permit, and to halt all new deliveries. Both times, China and Russia are reported to have blocked the effort. North Korea is alleged to have obtained the above-quota petroleum products through illegal ship-to-ship transfers at sea.<sup>131</sup>

The announcement of President Trump's June 2018 summit with North Korean leader Kim Jong-un led to a thaw in previously frosty China-North Korea ties. Since March 2018, Kim has visited China four times and President Xi has visited North Korea once, in June 2019. China urges all parties to undertake "phased and synchronized steps" in a "dual-track approach" to a political settlement of issues on the Korean Peninsula, with one track focused on denuclearization and the other on establishing a peace mechanism.<sup>132</sup>

<sup>127</sup> Tate Nurkin, et al., *China's Advanced Weapons Systems*, Jane's by IHS Markit, May 12, 2018.

<sup>128</sup> Li Jiayao, "Military Rebuts U.S. Report Calling China a Threat," *China Daily*, January 22, 2018.

<sup>129</sup> U.S. Department of State, *Report to Congress on Strategy to Address the Threats Posed by, and the Capabilities of, the Democratic Republic of Korea*, April 2019.

<sup>130</sup> U.S. Department of the Treasury, *Specially Designated Nationals and Blocked Persons List (SDN) Human Readable Lists*, <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

<sup>131</sup> Edith M. Lederer, "Russia, China Block UN from Saying Nkorea Violated Sanctions," Associated Press, June 19, 2019, <https://www.apnews.com/cb6be1337d2a48ecbde14dac590be083>. United States Mission to the United Nations, "Remarks to Press by Secretary Pompeo and Ambassador Haley at the UN," July 20, 2018, <https://usun.usmission.gov/remarks-to-press-by-secretary-pompeo-and-ambassador-haley-at-the-un/>.

<sup>132</sup> Ministry of Foreign Affairs of the PRC, "Adhering to the 'Dual-Track Approach': The Realization of Denuclearization of the Korean Peninsula and the Establishment of Peaceful Mechanism on the Korean Peninsula," April 5, 2018, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1548991.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1548991.shtml); Ministry of Foreign Affairs of the PRC, "Wang Yi Talks About Promoting the Political Settlement Process of the Korean Peninsula Issue," August 2, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1686491.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1686491.shtml).



## East China Sea<sup>133</sup>

In the East China Sea, the PRC is involved in a territorial dispute with Japan over the sovereignty of uninhabited land features known in Japan as the Senkaku Islands and in the PRC as the Diaoyu Dao. The features are also claimed by Taiwan, which refers to them as the Diaoyutai.<sup>134</sup> The United States does not take a position on the sovereignty dispute over the Senkakus, but it does recognize Japanese administration of the features. That recognition, reaffirmed by every U.S. Administration since Nixon, has given the United States a strong interest in the issue because Article 5 of the U.S.-Japan Treaty of Mutual Cooperation and Security covers areas under Japanese administration. The U.S. military regularly conducts freedom of navigation operations (FONOPs) and presence operations, as well as combined exercises with the Japan Self-Defense Force, in and above the East China Sea.

Since 2012, China has stepped up what it calls “routine” patrols to assert jurisdiction in China’s “territorial waters off the Diaoyu Islands.”<sup>135</sup> In November 2013, China established an air defense identification zone (ADIZ) in the East China Sea covering the Senkakus as well as airspace that overlaps with the existing ADIZs of Japan, South Korea, and Taiwan.<sup>136</sup>

## South China Sea<sup>137</sup>

China makes extensive, though imprecise, claims in the South China Sea, which is believed to be rich in oil and gas deposits as well as fisheries, and through which a major portion of world’s trade passes. On maps, China depicts its claims with a “nine-dash line” that, if connected, would enclose an area covering approximately 90% of the sea. China physically controls the Paracel (known in China as the Xisha) Islands in the northern part of the sea, seven of the approximately 200 geographic features in the Spratly (Nansha) Islands chain in the southern part of the sea, and Scarborough Shoal (Huangyan Island) in the eastern part of the sea (see **Figure 3**).<sup>138</sup> Areas claimed by the PRC are also claimed in part by Brunei, Malaysia, the Philippines, and Vietnam, and in entirety by Taiwan, with the fiercest territorial disputes being those between China and Vietnam and China and the Philippines. The South China Sea is bordered by a U.S. treaty ally, the Philippines, and is a key strategic waterway for the U.S. Navy.

<sup>133</sup> See CRS Report R42784, *U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress*, by Ronald O'Rourke.

<sup>134</sup> China and Japan also dispute maritime rights in the East China Sea more broadly, with Japan arguing for a “median line” equidistant from each country’s claimed territorial border dividing the two countries’ exclusive economic zones in the East China Sea; China rejects Japan’s claimed median line, arguing it has maritime rights beyond this line. Japan Ministry of Foreign Affairs, “Japan’s Legal Position on the Development of Natural in the East China Sea,” August 6, 2015, [https://www.mofa.go.jp/a\\_o/c\\_m1/page3e\\_000358.html](https://www.mofa.go.jp/a_o/c_m1/page3e_000358.html).

<sup>135</sup> “China Coast Guard Vessels Patrol Diaoyu Islands,” Xinhua, January 15, 2018, [http://www.xinhuanet.com/english/2018-01/15/c\\_136896490.htm](http://www.xinhuanet.com/english/2018-01/15/c_136896490.htm).

<sup>136</sup> See CRS Report R43894, *China's Air Defense Identification Zone (ADIZ)*, by Ian E. Rinehart and Bart Elias.

<sup>137</sup> See CRS Report R42784, *U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress*, by Ronald O'Rourke.

<sup>138</sup> The seven Spratly Islands reefs that China controls are Cuarteron Reef (known in China as Huayang Jiao), Fiery Cross Reef (Yongshu Jiao), Gaven Reef (Nanxun Jiao), Hugh Reef (Dongmen Jiao), Johnson Reef (Chigua Jiao), Mischief Reef (Meiji Jiao), and Subi Reef (Zhubi Jiao).

Since 2013, the PRC has built and fortified artificial islands on seven sites in the Spratly Island chain, and sought to block other countries from pursuing economic or other activity within the exclusive economic zones (EEZs) they are entitled to under the U.N. Convention on the Law of the Sea (UNCLOS). According to DOD, China has placed anti-ship cruise missiles and long-range surface-to-air missiles on the artificial islands and is “employing paramilitary forces in maritime disputes vis-à-vis other claimants.”<sup>139</sup> In May 2018, the United States disinvented the PRC from the 2018 edition of the U.S.-hosted RIMPAC maritime exercise over the PRC’s continued militarization of the sites.<sup>140</sup>

To challenge what the United States considers excessive maritime claims and to assert the U.S. right to fly, sail, and operate wherever international law allows, the U.S. military undertakes both FONOPs and presence operations in the sea. In June 2019, Chinese Minister of National Defense Wei appeared to refer to those operations when he complained that “some countries outside the region come to the South China Sea to flex muscles, in the name of freedom of navigation.” He declared that, “The large-scale force projection and offensive operations in the region are the most serious destabilizing and uncertain factors in the South China Sea.”<sup>141</sup>

China and members of the Association of Southeast Asian Nations (ASEAN) are involved in negotiations over a Code of Conduct for the South China Sea. In November 2018, China’s Premier, Li Keqiang, set a deadline of 2021 to complete the negotiations.<sup>142</sup> The parties have not made public the latest draft of their negotiating text, but an initial August 2018 draft reportedly included proposed language from China stating that, “The Parties shall not hold joint military exercises with countries from outside the region, unless the parties concerned are notified beforehand and express no objection.”<sup>143</sup> Such language would appear to target U.S. military

**Figure 3. The South China Sea**



**Source:** Created by CRS using data from Department of State (2011, 2014, and 2015) and TomTom (2013).

<sup>139</sup> Department of Defense, “Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region,” June 1, 2019, [https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD\\_INDOPACIFIC\\_STRATEGY\\_REPORT\\_JUNE\\_2019.PDF](https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD_INDOPACIFIC_STRATEGY_REPORT_JUNE_2019.PDF).

<sup>140</sup> Megan Eckstein, “China Disinvited from Participating in 2018 RIMPAC Exercise,” USNI News, May 23, 2018.

<sup>141</sup> “Speech at the 18<sup>th</sup> Shangri-La Dialogue by Gen. Wei Fenghe, State Councilor and Minister of National Defense, PRC,” Global Times via Ministry of National Defense of the PRC, June 2, 2019, [http://eng.mod.gov.cn/focus/2019-06/02/content\\_4842880.htm](http://eng.mod.gov.cn/focus/2019-06/02/content_4842880.htm).

<sup>142</sup> “China Hopes to Complete Talks on South China Sea Code of Conduct in 3 Years,” Xinhua, November 13, 2018, [http://www.xinhuanet.com/english/2018-11/13/c\\_137603619.htm](http://www.xinhuanet.com/english/2018-11/13/c_137603619.htm).

<sup>143</sup> Carl Thayer, “A Closer Look at the ASEAN-China Single Draft South China Sea Code of Conduct,” August 3, 2018, <https://thediplomat.com/2018/08/a-closer-look-at-the-asean-china-single-draft-south-china-sea-code-of-conduct/>. See also, Nguyen Minh Quang, “Saving the China-ASEAN South China Sea Code of Conduct,” *The Diplomat*, June 29, 2019, <https://thediplomat.com/2019/06/saving-the-china-asean-south-china-sea-code-of-conduct/>.

exercises with allies and partners, including such ASEAN members as the Philippines, Thailand, and Vietnam.

In 2013, the Philippines sought arbitration under UNCLOS over PRC actions in the South China Sea. An UNCLOS arbitral tribunal ruled in 2016 that China's nine-dash line claim had "no legal basis." The ruling also stated that none of the land features in the Spratlys is entitled to any more than a 12-nautical mile territorial sea; that three of the Spratlys features that China occupies generate no entitlement to maritime zones; and that China violated the Philippines' sovereign rights in various ways.<sup>144</sup> China declined to participate in the arbitration process and declared the ruling "null and void."<sup>145</sup>

## Human Rights and Rule of Law<sup>146</sup>

After consolidating power in 2013, Xi Jinping intensified and expanded the reassertion of party control over society that began during the final years of his predecessor, Hu Jintao, who served as CPC General Secretary from 2002 to 2012. Since 2015, China's government has enacted new national laws that strengthen the role of the state over a wide range of social activities in the name of national security and authorize greater controls over the Internet and ethnic minority groups. Government arrests of human rights advocates and lawyers, which intensified in 2015, were followed by Party efforts to instill ideological conformity in various spheres of society. In 2016, Xi launched a policy known as "Sinicization," by which China's religious populations, particularly Tibetan Buddhists, Muslims, and Christians who worship in churches that are not registered with the government, are required to conform to Han Chinese culture, the socialist system, and Communist Party policies.<sup>147</sup>

## Xinjiang<sup>148</sup>

In the name of combating terrorism and religious extremism, authorities in China's northwest region of Xinjiang have since 2017 undertaken the mass internment of Turkic Muslims, mainly ethnic Uyghurs (also spelled "Uighurs"), in ideological reeducation centers. Scholars, human rights activists, and the U.S. government allege that those detained without formal charges include an estimated 1.5 million Uyghurs out of a population of about 10.5 million, and a smaller number of ethnic Kazakhs.<sup>149</sup> Nearly 400 prominent Uyghur intellectuals reportedly have been

<sup>144</sup> Permanent Court of Arbitration, "In the Matter of the South China Sea Arbitration Before an Arbitral Tribunal Constituted Under Annex VII to the 1982 United Nations Convention on the Law of the Sea between the Republic of the Philippines and the People's Republic of China: Award," Case N° 2013-19, July 12, 2016, <https://www.pcacases.com/pcadocs/PH-CN%20-%2020160712%20-%20Award.pdf>.

<sup>145</sup> Ministry of Foreign Affairs of the PRC, "Statement of the Ministry of Foreign Affairs of the People's Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines," July 12, 2016, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1379492.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1379492.shtml).

<sup>146</sup> See CRS In Focus IF11240, *Human Rights in China*, by Thomas Lum and Michael A. Weber.

<sup>147</sup> Han Chinese, the majority ethnic group in China, make up about 91% of the country's population and dominate its culture. United States Commission on International Religious Freedom, *2018 Annual Report*, April 25, 2018; Library of Congress, Global Legal Monitor, "China: Revised Regulations on Religious Affairs," November 9, 2017, <http://www.loc.gov/law/foreign-news/article/china-revised-regulations-on-religious-affairs/>; "Full Text of Xi Jinping's Report at the 19<sup>th</sup> CPC National Congress, October 18, 2017," Xinhua, November 4, 2017.

<sup>148</sup> See CRS In Focus IF10281, *Uyghurs in China*, by Thomas Lum.

<sup>149</sup> Mamatjan Juma, "'At Least One Million People in the Camps Full Time': Deputy Assistant Secretary Scott Busby," *Radio Free Asia*, May 15, 2019; "Apartheid with Chinese Characteristics," *The Economist*, May 31, 2018; Adrian Zenz, "New Evidence for China's Political Re-education Campaign in Xinjiang," *China Brief (Jamestown*

detained or their whereabouts are unknown.<sup>150</sup> Many detainees reportedly are forced to express their love of the Communist Party and Xi, sing patriotic songs, and renounce or reject many of their religious beliefs and customs.<sup>151</sup> According to former detainees, treatment and conditions in the camps include beatings, food deprivation, and crowded and unsanitary conditions.<sup>152</sup>

PRC officials describe the Xinjiang camps as “vocational education and training centers” in which “trainees” undertake a curriculum of “standard spoken and written Chinese, understanding of the law, vocational skills, and deradicalization.”<sup>153</sup> In July 2019, a Xinjiang official claimed that the majority of those who return from the camps “find suitable jobs that they really like, and they can earn a satisfactory living.”<sup>154</sup> Many Uyghurs living abroad say they still have not heard from missing relatives in Xinjiang.<sup>155</sup>

In July 2019, at the second Ministerial to Advance Religious Freedom hosted by the Department of State, Secretary of State Mike Pompeo said, “China is home to one of the worst human rights crises of our time; it is truly the stain of the century.”<sup>156</sup> The Administration was reported to be considering sanctions under the Global Magnitsky Human Rights Accountability Act against officials in Xinjiang, but these actions reportedly were set aside during the U.S.-China bilateral trade negotiations, possibly for fear of disrupting progress.<sup>157</sup>

On July 8, 2019, 22 nations at the United Nations Human Rights Council (UNHRC) issued a joint statement to the UNHRC president and U.N. High Commissioner on Human Rights calling on China to “refrain from the arbitrary detention and restrictions on freedom of movement of Uyghurs, and other Muslim and minority communities in Xinjiang” and to “allow meaningful access to Xinjiang for independent international observers.”<sup>158</sup> On July 12, 2019, envoys from 37 countries, including over one dozen Muslim-majority countries, cosigned a counter-letter to the

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*Foundation*), May 15, 2018.

<sup>150</sup> Uyghur Human Rights Project, “Detained and Disappeared: Intellectuals Under Assault in the Uyghur Homeland,” March 25, 2019.

<sup>151</sup> “China Runs Region-wide Re-education Camps in Xinjiang for Uyghurs and other Muslims,” *Radio Free Asia*, September 11, 2017. Nathan VanderKlippe, “It Is About Xi as the Leader of the World,” *The Globe and Mail*, July 3, 2018.

<sup>152</sup> “Inside the Camps Where China Tries to Brainwash Muslims Until They Love the Party and Hate Their Own Culture,” *South China Morning Post*, May 17, 2018.

<sup>153</sup> State Council Information Office of the PRC, “Vocational Education and Training in Xinjiang,” White Paper, August 2019, [http://english.scio.gov.cn/2019-08/16/content\\_75106484.htm](http://english.scio.gov.cn/2019-08/16/content_75106484.htm).

<sup>154</sup> “新疆自治区主席、副主席谈教培中心：多数学员已结业 九成以上找到工作” (“Xinjiang Chairman and Vice Chairman Discuss Education and Training Centers: Most Students Have Graduated, 90% Have Found Work”) (CRS translation), China News, July 30, 2019, <http://www.chinanews.com/edu/shipin/cns/2019/07-30/news825592.shtml>; State Council Information Office of the PRC, “SCIO Briefing on Xinjiang’s Development,” July 30, 2019, [http://english.scio.gov.cn/m/pressroom/2019-08/01/content\\_75055136.htm](http://english.scio.gov.cn/m/pressroom/2019-08/01/content_75055136.htm).

<sup>155</sup> “China’s Claim That Most Uyghurs Have Been Freed from the Camps ‘Devoid of Credibility,’” *Radio Free Asia*, July 30, 2019.

<sup>156</sup> David Brunnstrom and Lesley Wroughton, “Pompeo Calls China’s Treatment of Uyghurs ‘Stain of the Century,’” *Reuters*, July 18, 2019.

<sup>157</sup> Ibid; Alan Rappeport and Edward Wong, “In Push for Trade Deal, Trump Administration Shelves Sanctions over China’s Crackdown on Uyghurs,” *New York Times*, May 4, 2019.

<sup>158</sup> The 22 signatories of the joint statement are Australia, Austria, Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Japan, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom. “Nearly Two-Dozen Nations Urge China to End Mass Incarcerations in Xinjiang at UN Rights Council,” *Radio Free Asia*, July 10, 2019. See the text of the letter at [https://www.hrw.org/sites/default/files/supporting\\_resources/190708\\_joint\\_statement\\_xinjiang.pdf](https://www.hrw.org/sites/default/files/supporting_resources/190708_joint_statement_xinjiang.pdf).

UNHRC in support of China's policies in Xinjiang.<sup>159</sup> As of July 29, 2019, China said the number of countries signing the counter-letter had risen to 50.<sup>160</sup>

## Hong Kong<sup>161</sup>

Hong Kong is a Special Administrative Region (SAR) of the PRC located off China's southern coast with a population of 7.5 million people, including about 85,000 U.S. citizens.<sup>162</sup> Sovereignty of the former British colony reverted to the PRC on July 1, 1997, under the provisions of a 1984 international treaty—known as the “Joint Declaration”—negotiated between China and the United Kingdom. Among other things, the Joint Declaration promises Hong Kong a “high degree of autonomy, except in foreign and defence affairs” and pledges that Hong Kong's “current social and economic systems” will remain unchanged for at least 50 years. As required by the Joint Declaration, on April 4, 1990, China's National People's Congress passed the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Basic Law), which serves as a mini-constitution for the city. The United States-Hong Kong Policy Act of 1992 (P.L. 102-383, 22 U.S.C. 5701-5732) affords Hong Kong separate treatment from China in a variety of political, economic, trade, and other areas so long as the HKSAR remains “sufficiently autonomous.”

Since June 2019, hundreds of thousands of Hong Kongers have joined large rallies and marches against proposed legal amendments that would for the first time allow extraditions to Mainland China. Chief Executive Carrie Lam Cheng Yuet-ngor suspended consideration of the amendments in response to the demonstrations in early June, but has also characterized the demonstrations as “riots,” and authorized the Hong Kong Police Force to use tear gas, rubber bullets, pepper spray, and truncheons to break up the protests.<sup>163</sup> In response, the demonstrators have expanded their demands to include that Lam fully withdraw the amendments, drop all charges against arrested protesters, renounce her characterization of the demonstrations as “riots,” set up an independent commission to investigate alleged police misconduct, and implement the election of the Chief Executive and Legislative Council by universal suffrage, as promised in the Basic Law.

<sup>159</sup> The 37 original signatories of the letter supporting China's policies in Xinjiang are Algeria, Angola, Bahrain, Belarus, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Comoros, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Egypt, Eritrea, Gabon, Kuwait, Laos, Myanmar, Nigeria, Oman, Pakistan, Philippines, Qatar, Russia, Saudi Arabia, Somalia, South Sudan, Sudan, Syria, Tajikistan, Togo, Turkmenistan, United Arab Emirates, Venezuela, and Zimbabwe. “Saudi Arabia among 37 States Backing China's Xinjiang Policy of Detaining One Million Muslims,” *The Arab American*, July 13, 2019. See the text of the letter at [https://www.hrw.org/sites/default/files/supporting\\_resources/190712\\_joint\\_counterstatement\\_xinjiang.pdf](https://www.hrw.org/sites/default/files/supporting_resources/190712_joint_counterstatement_xinjiang.pdf).

<sup>160</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference,” July 29, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/t1684227.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1684227.shtml).

<sup>161</sup> See CRS CRS In Focus IF11295, *Hong Kong's Protests of 2019*, by Michael F. Martin; CRS In Focus IF11248, *Hong Kong's Proposed Extradition Law Amendments*, by Michael F. Martin; CRS In Focus IF10500, *Hong Kong's Legislative Council (Legco)*, by Michael F. Martin; and CRS In Focus IF10956, *Hong Kong: Recent Developments and U.S. Relations*, by Michael F. Martin.

<sup>162</sup> Estimated population according to Hong Kong's Census and Statistics Department. The U.S. Department of State states that “approximately 85,000” U.S. citizens reside in Hong Kong (Department of State, “U.S. Relations with Hong Kong,” press release, July 17, 2018). The HKSAR 2016 by-census reports that approximately 15,000 “Americans” reside in Hong Kong. The large discrepancy may be a function of the HKSAR categorizing Hong Kong permanent residents who are also U.S. citizens as Hong Kongers.

<sup>163</sup> Vimvam Tong and Anne Marie Roantree, “Hong Kong Leader Says Protesters in Latest Clashes Can Be Called ‘Rioters,’” Reuters, July 15, 2019, <https://www.reuters.com/article/us-hongkong-extradition-lam/hong-kong-leader-says-protesters-in-latest-clashes-can-be-called-rioters-idUSKCN1UA0ME>.



China's state media have accused the United States of covertly instigating and directing the unrest in Hong Kong. On August 8, 2019, they circulated a photograph of a political officer at the U.S. Consulate General in Hong Kong meeting with opposition leaders at a hotel, accusing her of being "the behind-the-scenes black hand creating chaos in Hong Kong."<sup>164</sup> Like Chief Executive Lam, President Trump has termed the demonstrations in Hong Kong "riots." The President has indicated that the situation is for China's central government and the HKSAR government to work out, has praised President Xi's handling of the Hong Kong protests, and stated that he does not see the situation in Hong Kong providing leverage in ongoing talks with China.<sup>165</sup> He has also indicated, however, that "it would be very hard to deal if they [China] do violence. I mean, if it's another Tiananmen Square, it's—I think it's a very hard thing to do if there's violence."<sup>166</sup> The cochairs of the Tom Lantos Human Rights Commission and other Members of Congress have called for the Trump Administration to stop U.S. sales of tear gas, pepper spray, and other riot gear to the Hong Kong Police Force.<sup>167</sup>

Hong Kongers have taken to the streets in large numbers twice before to protest China's alleged failure to fulfill its obligations under the Joint Declaration or to abide by the provisions of the Basic Law. On July 1, 2003, an estimated 500,000 Hong Kong residents rallied against a proposed antisedition bill that they believed would sharply curtail their rights.<sup>168</sup> Large numbers of Hong Kong residents protested again beginning on September 26, 2014, against PRC restrictions on a proposal to elect the Chief Executive by universal suffrage. Those protests became known as the "Umbrella Movement."<sup>169</sup>

## Tibet<sup>170</sup>

U.S. policy toward Tibet is guided by the Tibetan Policy Act of 2002 (P.L. 107-228), which requires the U.S. government to promote and report on dialogue between Beijing and Tibet's exiled spiritual leader, the Dalai Lama, or his representatives; to help protect Tibet's religious, cultural, and linguistic heritages; and to support development projects in Tibet. The act requires the State Department to maintain a Special Coordinator for Tibetan Issues. (The position has been vacant throughout the Trump Administration.) The act also calls on the Secretary of State to "make best efforts" to establish a U.S. consular office in the Tibetan capital, Lhasa; and directs U.S. officials to press for the release of Tibetan political prisoners in meetings with the Chinese government.

<sup>164</sup> Andrew Higgins, "China's Theory for Hong Kong Protests: Secret American Meddling," *New York Times*, August 8, 2019, <https://www.nytimes.com/2019/08/08/world/asia/hong-kong-black-hand.html>.

<sup>165</sup> The White House, "Remarks by President Trump Before Marine One Departure," August 21, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-marine-one-departure-60/>; The White House, "Remarks by President Trump Before Marine One Departure," August 1, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-marine-one-departure-56/>; The White House, "Remarks by President Trump and Prime Minister Khan of the Islamic Republic of Pakistan Before Bilateral Meeting," July 22, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-prime-minister-khan-islamic-republic-pakistan-bilateral-meeting/>.

<sup>166</sup> The White House, "Remarks by President Trump Before Air Force One Departure," August 18, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-air-force-one-departure-12/>.

<sup>167</sup> Tom Lantos Human Rights Commission, "Co-Chairs Call for Suspension of Sales to Hong Kong Police," August 2, 2019, <https://humanrightscommission.house.gov/news/press-releases/co-chairs-call-suspension-sales-hong-kong-police>.

<sup>168</sup> Keith Bradsher, "Hundreds of Thousands in Hong Kong Protest Security Laws," *New York Times*, July 1, 2003.

<sup>169</sup> See CRS In Focus IF10005, *Protests in Hong Kong: The "Umbrella Movement" (Update)*, by Michael F. Martin.

<sup>170</sup> See CRS Report R43781, *The Tibetan Policy Act of 2002: Background and Implementation*, by Susan V. Lawrence.



The U.S. government and human rights groups have been critical of increasingly expansive official Chinese controls on religious life and practice in Tibetan areas of China instituted in the wake of anti-Chinese protests in 2008. Human rights groups have catalogued arbitrary detentions and disappearances; a heightened Chinese security presence within monasteries; continued “patriotic education” and “legal education” campaigns that require monks to denounce the Dalai Lama; strengthened media controls; and policies that weaken Tibetan-language education.

PRC restrictions on access to Tibet for foreigners prompted Congress to pass, and the President to sign, the Reciprocal Access to Tibet Act (RATA) (P.L. 115-330). Enacted in December 2018, RATA requires the Department of State to report to Congress annually regarding the level of access PRC authorities granted U.S. diplomats, journalists, and tourists to Tibetan areas in China. It also states that no individual “substantially involved in the formulation or execution of policies related to access for foreigners to Tibetan areas” may be granted a visa or admitted to the United States so long as restrictions on foreigners’ access to Tibet remain in place. The Department of State is required to submit annually a list of PRC officials “substantially involved” in such policies, and to identify those whose visas were denied or revoked in the previous year.

Of growing concern to human rights groups and foreign governments is China’s insistence on controlling the succession process for the Dalai Lama. Now aged 84, the Dalai Lama is the 14<sup>th</sup> in a lineage that began in the 14<sup>th</sup> century, with each new Dalai Lama identified in childhood as the reincarnation of his predecessor. As a spokesperson for China’s Foreign Ministry restated in March 2019, the PRC’s position is that, “reincarnation of living Buddhas including the Dalai Lama must comply with Chinese laws and regulations and follow religious rituals and historical conventions.”<sup>171</sup> In July 2019, a Chinese official told visiting Indian journalists that the Dalai Lama’s reincarnation would be required to be found in China and approved by the central government in Beijing, adding, “The Dalai Lama’s reincarnation is not decided by his personal wish or by some group of people living in other countries.”<sup>172</sup> In 2011, however, the Dalai Lama asserted that, “the person who reincarnates has sole legitimate authority over where and how he or she takes rebirth and how that reincarnation is to be recognized.”<sup>173</sup>

China lobbies strenuously to prevent world leaders from meeting with the Dalai Lama, the 1989 Nobel Peace Prize winner and 2006 recipient of the Congressional Gold Medal. U.S. Presidents since George H. W. Bush have met with the Dalai Lama. President Trump has not so far done so.

## Use of Surveillance Technology

PRC methods of social and political control are evolving to include the widespread use of sophisticated surveillance and big data technologies. Chinese authorities and companies have developed and deployed tens of millions of surveillance cameras, as well as facial, voice, iris, and gait recognition equipment, to reduce crime. The government uses the same equipment to target and track the movements and internet-use of ethnic Tibetans and Uyghurs and critics of the

<sup>171</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Geng Shuang’s Regular Press Conference on March 19, 2019,” March 19, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1646704.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1646704.shtml).

<sup>172</sup> “Next Dalai Lama Must Be Chosen within China; India Should Not Intervene: Chinese Authorities,” Press Trust of India via The Hindu, July 14, 2019, <https://www.thehindu.com/news/international/next-dalai-lama-must-be-chosen-within-china-india-should-not-intervene-chinese-authorities/article28428511.ece>.

<sup>173</sup> His Holiness the 14<sup>th</sup> Dalai Lama of Tibet, “Reincarnation,” September 24, 2011, <http://www.dalailama.com/biography/reincarnation>. The Dalai Lama has several times told interviewers that he may not incarnate. See, for example, “Dalai Lama Concedes He May Be the Last,” BBC News, December 17, 2014.

regime.<sup>174</sup> In addition, the government is developing a “social credit system,” involving aggregating data on companies and individuals across geographic regions and industries, and “creating measures to incentivize ‘trustworthy’ conduct, and punish ‘untrustworthy’ conduct.”<sup>175</sup>

Increasingly, Chinese companies are exporting data and surveillance technologies around the world. In April 2019, the Australian Strategic Policy Institute (ASPI), an Australian-based nonpartisan think tank, launched a public database, funded by the U.S. Department of State, mapping the overseas activities of a dozen leading Chinese technology companies. Among other projects, it shows Chinese firms involved in installing 5G networks in 34 countries and deploying so-called “safe cities” surveillance technologies in 46 countries.<sup>176</sup> In an October 2018 report partly funded by the U.S. Department of State, independent research and advocacy organization Freedom House identified 38 countries in which Chinese companies had installed internet and mobile networking equipment, 18 countries that had deployed intelligent monitoring systems and facial recognition developed by Chinese companies, and 36 countries in which media elites and government officials had traveled to China for trainings on new media or information management. The same report, *Freedom on the Net 2018*, ranked China last in internet and digital media freedom of 65 countries tracked, just ahead of Iran, Syria, and Ethiopia, the fourth year China held that position in Freedom House’s rankings.<sup>177</sup>

## Taiwan<sup>178</sup>

When the Carter Administration established diplomatic relations with the PRC on January 1, 1979, it terminated formal diplomatic ties with self-ruled Taiwan, over which the PRC claims sovereignty. In joint communiques with China signed in 1978 and 1982, the United States stated that it “acknowledges the Chinese position that there is but one China and Taiwan is part of China,” but did not state its own position on Taiwan’s status. Under the U.S. “one-China” policy, the United States maintains only unofficial relations with Taiwan, while upholding the 1979 Taiwan Relations Act (P.L. 96-8), which provides a legal basis for the unofficial relationship and includes commitments related to Taiwan’s security.

The PRC frequently reminds the United States that, for Beijing, “The Taiwan question is the most important and sensitive one in China-US relations.”<sup>179</sup> Beijing is particularly wary of U.S. moves that the PRC sees as introducing “officiality” into the U.S.-Taiwan relationship, and regularly protests U.S. legislation supporting Taiwan, U.S. arms sales to Taiwan, and U.S. Navy transits of the Taiwan Strait. (The U.S. Navy conducted seven such transits between January and August

<sup>174</sup> Human Rights Watch, “China’s Algorithms of Repression,” May 1, 2019, <https://www.hrw.org/report/2019/05/01/chinas-algorithms-repression/reverse-engineering-xinjiang-police-mass-surveillance>; U.S. Department of State, *Country Reports on Human Rights Practices for 2018*, March 13, 2019, <https://www.state.gov/reports/2018-country-reports-on-human-rights-practices/china-includes-tibet-hong-kong-and-macau-china/>.

<sup>175</sup> Jeremy Daum, “China Through a Glass, Darkly,” China Law Translate, December 24, 2017.

<sup>176</sup> Danielle Cave, Samantha Hoffman, Alex Joske, Fergus Ryan and Elise Thomas, *Mapping China’s Technology Giants*, Australian Strategic Policy Institute, International Cyber Policy Centre, Report No. 15, 2019, <https://www.aspi.org.au/report/mapping-chinas-tech-giants>. Database accessible at <https://chinattechmap.aspi.org.au>.

<sup>177</sup> *Freedom on the Net 2018: The Rise of Digital Authoritarianism*, Freedom House, October 2018, <https://freedomhouse.org/report/freedom-net/freedom-net-2018/rise-digital-authoritarianism>.

<sup>178</sup> See CRS In Focus IF10275, *Taiwan: Select Political and Security Issues*, by Susan V. Lawrence; CRS In Focus IF10256, *U.S.-Taiwan Trade Relations*, by Wayne M. Morrison; and CRS Report R44996, *Taiwan: Issues for Congress*, by Susan V. Lawrence and Wayne M. Morrison.

<sup>179</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference,” July 25, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/t1683397.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1683397.shtml).

2019.)<sup>180</sup> The United States objects to PRC efforts to isolate Taiwan internationally and to the PRC's real and implied threats of force against Taiwan, including bomber, fighter, and surveillance aircraft patrols around and near the island.

After initially questioning the U.S. "one-China" policy after his November 2016 election victory, President Trump used a February 9, 2017, telephone call with President Xi to recommit the United States to it.<sup>181</sup> The Trump Administration's NSS states that the United States "will maintain our strong ties with Taiwan in accordance with our 'One China' policy, including our commitments under the Taiwan Relations Act to provide for Taiwan's legitimate defense needs and deter coercion."<sup>182</sup>

Trump Administration language on Taiwan has evolved since 2017. DOD's June 2019 Indo-Pacific Strategy Report discusses Taiwan without referencing the U.S. "one-China" policy. In a first for a high-profile U.S. government report in the era of unofficial relations, it also refers to Taiwan as a "country." The strategy presents Taiwan, along with Singapore, New Zealand, and Mongolia, as Indo-Pacific democracies that are "reliable, capable, and natural partners of the United States." The document asserts that, "The United States has a vital interest in upholding the rules-based international order, which includes a strong, prosperous, and democratic Taiwan."<sup>183</sup>

In 2018, the 115<sup>th</sup> Congress passed and President Trump signed the Taiwan Travel Act (P.L. 115-135), stating that it should be U.S. policy to allow U.S. officials at all levels, "including Cabinet-level national security officials, general officers, and other executive branch officials," to travel to Taiwan for meetings with counterparts, and to allow high-level Taiwan officials to enter the United States under respectful conditions to meet with U.S. officials, "including officials from the Department of State and the Department of Defense and other Cabinet agencies." In May 2019, the United States hosted a meeting between the U.S. and Taiwan National Security Advisors, the first such meeting publicly disclosed since the United States broke diplomatic relations with Taiwan in 1979.<sup>184</sup> In July 2019, the Trump Administration allowed Taiwan President Tsai Ing-wen to make high-profile "transit" visits through New York City and Denver, CO, on her way to and from visiting diplomatic allies in the Caribbean. Each visit spanned three days. The New York City transit included a brief closed-door speech at Columbia University, a walk in Central Park, and an event at Taiwan's representative office for the U.N. representatives of Taiwan's diplomatic partners.<sup>185</sup> Since 1995, U.S. policy has allowed Taiwan presidents to visit the United States only on transit visits through the United States on their way to other locations.

<sup>180</sup> Ben Werner, "USS Green Bay Transits Taiwan Strait," U.S. Naval Institute News, August 23, 2019, <https://news.usni.org/2019/08/23/uss-green-bay-transits-taiwan-strait>.

<sup>181</sup> The White House, "Readout of the President's Call with President Xi Jinping of China," February 9, 2017, <https://www.whitehouse.gov/briefings-statements/readout-presidents-call-president-xi-jinping-china/>.

<sup>182</sup> The White House, *National Security Strategy of the United States*, December 2017.

<sup>183</sup> Department of Defense, "Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region," June 1, 2019, [https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD\\_INDOPACIFIC\\_STRATEGY\\_REPORT\\_JUNE\\_2019.PDF](https://media.defense.gov/2019/May/31/2002139210/-1/-1/1/DOD_INDOPACIFIC_STRATEGY_REPORT_JUNE_2019.PDF).

<sup>184</sup> Yimou Lee and Ben Blanchard, "China Bridles at Rare Meeting Between Taiwan and U.S. Security Officials," Reuters, May 26, 2019, <https://www.reuters.com/article/us-usa-taiwan/china-bridles-at-rare-meeting-between-taiwan-and-u-s-security-officials-idUSKCN1SX077>.

<sup>185</sup> Wen Kuei-hsiang and Elizabeth Hsu, "Taiwan President Meets with Envoys to U.N. During New York Stopover," Central News Agency (CNA) (Taiwan) via Focus Taiwan, July 12, 2019, <http://focustaiwan.tw/news/AIPL/201907120002.aspx>; Stacy Hsu and Ozzy Yin, "Tsai Calls for Global Support for 'Free Taiwan' at Columbia Speech," CNA, July 13, 2019, <http://focustaiwan.tw/news/aip/201907130005.aspx>.

The Trump Administration has notified Congress of 11 Taiwan FMS cases on five separate dates. The combined value of the 11 FMS cases is about \$11.76 billion. (See **Table 7.**) On July 12, 2019, in apparent response to Tsai’s visit to New York City and the Administration’s July 8, 2019, arms sale notification, China’s Ambassador to the United States, Cui Tiankai, wrote on Twitter, “Taiwan is part of China. No attempts to split China will ever succeed. Those who play with fire will only get themselves burned. Period.”<sup>186</sup> In response to the Administration’s August 20, 2019, notification of the proposed sale of F-16C/D Block 70 fighter planes to Taiwan, Chinese Foreign Ministry spokesperson Geng Shuang said China might sanction U.S. companies, stating, “China will take every necessary measure to safeguard its interests, including sanctioning American companies involved in the arms sale this time.”<sup>187</sup>

**Table 7. Trump Administration Notifications of Major Foreign Military Sales to Taiwan**

Date	Major Items	Value
August 20, 2019	66 F-16C/D Block 70 Aircraft and related equipment and support, including 75 General Electric F110 fighter engines.	\$8 billion
July 8, 2019	108 M1A2T Abrams tanks and related equipment and support	\$1.45 billion
July 8, 2019	250 Block I-92F MANPAD Stinger missiles and 4 Block I-92F MANPAD Stinger fly-to-buy missiles, and related equipment and support	\$114.13 million
April 15, 2019	Continuation of pilot training program and maintenance/logistics support for F-16 aircraft currently at the Luke Air Force Base, Arizona	est. \$500 million
September 24, 2018	Cooperative Logistics Supply Support arrangement for stock replenishment supply of spare parts and repair/replace of spare parts for F-16, C-130, F-5, Indigenous Defense Fighter (IDF), and all other aircraft systems and subsystems.	\$330 million
June 29, 2017	50 AGM-88B High-Speed Anti-Radiation Missiles (HARMs), 10 AGM 88-B Training HARMs, and related support and materials	\$147.5 million
June 29, 2017	16 Standard Missile-2 (SM-2) Block IIIA All-Up Rounds (AUR), 47 MK 93 MOD 1 SM-2 Block IIIA Guidance Sections (GSs), 5 MK 45 MOD 14 SM-2 Block IIIA Target Detecting Devices (TDDs) Shrouds and related equipment and support	\$125 million
June 29, 2017	46 MK-48 Mod 6AT Heavyweight Torpedoes (HWT) and related equipment and support	\$250 million
June 29, 2017	MK-54 Lightweight Torpedo (LWT) Conversion Kits and related equipment and support	\$175 million
June 29, 2017	56 AGM-154C Joint Standoff Weapons (JSOW) Air-to-Ground Missiles and related equipment and support	\$185.5 million
June 29, 2017	Upgrade of AN/SLQ-32(V)3 Electronic Warfare Systems in support of 4 ex-KIDD Class destroyers	\$80 million
June 29, 2017	SRP Operations and Maintenance follow-on sustainment package	\$400 million

**Source:** Compiled from notifications from 2017 to 2019 posted on the website of the Defense Security Cooperation Agency (DSCA).

<sup>186</sup> Cui Tiankai on Twitter, July 10, 2019, <https://twitter.com/AmbCuiTiankai/status/1149695176358715392>.

<sup>187</sup> Ministry of Foreign Affairs of the PRC, “Foreign Ministry Spokesperson Geng Shuang’s Regular Press Conference,” August 21, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1690680.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1690680.shtml).

## Select Other Issues

### Climate Change

Both China and the United States are parties to the 1992 United Nations Framework Convention on Climate Change (UNFCCC), the objective of which is to stabilize human-induced climate change. The two countries are widely viewed as having pivotal roles to play in efforts to achieve that goal as they are, respectively, the first- and second-ranking contributors to global greenhouse gas (GHG) emissions.<sup>188</sup>

While China emits more than twice as much carbon dioxide (CO<sub>2</sub>, the major human-related GHG) as the United States, comparing the nations' levels of effort to address their GHG emissions can be complicated. For example, while China emits more CO<sub>2</sub> to produce a unit of GDP (its "energy intensity"), China has reduced and continues to reduce its energy intensity more rapidly due to structural changes and policies. The United States is one of the highest global emitters of GHG per person, at twice China's rates, due in large part to higher incomes and rates of consumption. Some U.S. consumption results in GHG emissions from manufacturing in China. China's emissions per person have been rising with incomes and consumption; its total emissions may continue to rise with incomes and the size of its economy. Under current policies, U.S. emissions may remain largely flat through the 2020s and could grow from the 2030s.<sup>189</sup>

China has pledged that its emissions will peak before 2030. Under current projections and pledges, it is unclear whether China's GHG emissions will grow, remain stable, or decline toward the "net zero" emissions that would be required to stabilize human-induced climate change. China has set ambitious targets for expanding its supply of energy from non-GHG-emitting sources, improving energy efficiency, and reducing air pollution coemitted with GHG. In this decade, China's efforts have demonstrated measurable effects in reducing the penetration of coal use, energy intensity, and air pollution. Policies in place would not likely reduce GHG emissions toward near-zero, however.<sup>190</sup>

The United States and China have cooperated on environmental and energy projects for several decades. Although U.S. policy attention to the two countries' Clean Energy Cooperation program has declined, joint research continues on Carbon Capture and Storage (CCS) technologies, energy efficiency, vehicles, water-energy, and nuclear energy.<sup>191</sup> China is developing a national GHG cap

<sup>188</sup> See CRS Report R45086, *Evolving Assessments of Human and Natural Contributions to Climate Change*, by Jane A. Leggett, and CRS In Focus IF10379, *China's Greenhouse Gas and Energy Proposals for 2016-2020*, by Jane A. Leggett. According to the U.S. Energy Information Administration, in 2016, China's and the United States' energy-related CO<sub>2</sub> emissions were 10.6 and 5.2 billion metric tons, or approximately 30% and 15% of the global energy-related total of 35.7 billion metric tons. Data are available at <https://tinyurl.com/y4ljue6r>.

<sup>189</sup> U.S. Energy Information Administration, *Annual Energy Outlook 2019*, data extracted August 7, 2019: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=17-AEO2019&region=1-0&cases=ref2019&start=2017&end=2050&f=Q&linechart=ref2019-d111618a.40-17-AEO2019.1-0&map=ref2019-d111618a.4-17-AEO2019.1-0&ctype=linechart&chartindexed=0&sourcekey=0>.

<sup>190</sup> See Figure 1 in CRS In Focus IF10248, *China's "Intended Nationally Determined Contribution" to Addressing Climate Change in 2020 and Beyond*, by Jane A. Leggett.

<sup>191</sup> See U.S. Department of Energy, "U.S.-China Energy Collaboration," <https://www.energy.gov/ia/initiatives/us-china-clean-energy-research-center-cerc>. See also U.S. Department of Energy, "U.S.-China Clean Energy Cooperation," January 2011, <https://www.energy.gov/sites/prod/files/piprod/documents/USChinaCleanEnergy.PDF> and U.S. Government Accountability Office, "U.S.-China Cooperation: Bilateral Clean Energy Programs Show Some Results but Should Enhance Their Performance Monitoring," GAO-16-669, July 5, 2016, <https://www.gao.gov/products/GAO-16-669>.



and emissions trading system, building on programs in seven regions of the country, but has delayed its target start date several times—currently to 2020.<sup>192</sup>

The future of U.S.-China relations with regard to climate change is unclear. China appears to have maintained or increased its leadership under the UNFCCC's 2015 Paris Agreement, a framework for cooperatively addressing climate change through coming decades. The U.S. government has indicated its intention to withdraw from the agreement when it becomes eligible to do so in November 2020. Neither government has produced long-term national-level policies and plans to address its country's GHG emissions or to adapt to expected climate changes. Given the size of their economies and their investments in advancing key technologies, the United States' and China's roles in assisting less-developed countries to address climate change could be important for minimizing long-term global costs.

## Consular Issues

An ongoing source of friction in the U.S.-China relationship is the PRC's alleged violations of the Vienna Consular Convention and the 1980 U.S.-China Bilateral Consular Convention in its handling of U.S. citizens.<sup>193</sup> One such apparent violation is China's use of exit bans "to prevent U.S. citizens who are not themselves suspected of a crime from leaving China as a means to pressure their relatives or associates who are wanted by Chinese law enforcement in the United States," according to the U.S. mission in China. The mission states that PRC authorities "also arbitrarily detain and interrogate U.S. citizens for reasons related to 'state security'" and subject U.S. citizens "to overly lengthy pre-trial detention in substandard conditions while investigations are ongoing."<sup>194</sup>

Separately, the United States government is seeking China's cooperation in issuing travel documents to PRC nationals whom the United States seeks to repatriate to China. The U.S. mission in China states that as of July 10, 2018, the U.S. government was awaiting travel documents for approximately 2,200 PRC nationals with criminal convictions who were not in Immigration and Customs Enforcement (ICE) custody, and another 139 PRC nationals who were in ICE custody with removal orders. According to the U.S. mission in China, "The Chinese government consistently refuses to issue travel documents to an overwhelming majority of these individuals."<sup>195</sup>

## Fentanyl<sup>196</sup>

According to provisional data from the U.S. Centers for Disease Control and Prevention, synthetic opioids, primarily fentanyl, accounted for more than 31,000 U.S. drug overdose deaths

<sup>192</sup> Reuters, "UPDATE 1-China expects first trade in national emissions scheme in 2020," March 30, 2019, <https://www.reuters.com/article/climate-change-china/update-1-china-expects-first-trade-in-national-emissions-scheme-in-2020-idUSL3N21H02B>.

<sup>193</sup> The Consular Convention between the United States of America and the People's Republic of China, Treaty Document 97-3, signed in Washington, DC, on September 17, 1980; approved by the Senate December 11, 1981; entered into force February 19, 1982, <https://www.congress.gov/treaty-document/97th-congress/3?r=1>.

<sup>194</sup> U.S. Department of State, *Integrated Country Strategy: China*, August 29, 2018, [https://www.state.gov/wp-content/uploads/2019/01/ICS-China\\_UNCLASS\\_508.pdf](https://www.state.gov/wp-content/uploads/2019/01/ICS-China_UNCLASS_508.pdf).

<sup>195</sup> Ibid.

<sup>196</sup> For more information, see CRS Report R45790, *The Opioid Epidemic: Supply Control and Criminal Justice Policy—Frequently Asked Questions*, by Lisa N. Sacco et al., and CRS In Focus IF10890, *Illicit Fentanyl, China's Role, and U.S. Foreign Policy Options*, by Liana W. Rosen and Susan V. Lawrence.



in 2018.<sup>197</sup> The Drug Enforcement Administration (DEA) states, “Clandestinely produced fentanyl is trafficked into the United States primarily from China and Mexico, and is responsible for the ongoing fentanyl epidemic.”<sup>198</sup>

Responding to pressure from the Trump Administration, China on May 1, 2019, added all fentanyl-related substances to a controlled substances list, the “Supplementary List of Controlled Narcotic Drugs and Psychotropic Substances with Non-Medical Use.” Li Yuejin, Deputy Director of China’s National Narcotics Control Commission, presented the move as “an important manifestation of China’s participation in the global control of illicit drugs and the maintenance of international security and stability.” He also said it was “based on the painful lesson from the United States.”<sup>199</sup>

In April 2019, the DEA welcomed the announcement of China’s plan to control all fentanyl substances, saying, “This significant development will eliminate Chinese drug traffickers’ ability to alter fentanyl compounds to get around the law.”<sup>200</sup> On August 1, 2019, however, President Trump criticized China’s record, saying of President Xi, “He said he was going to stop fentanyl from coming into our country—it’s all coming out of China; he didn’t do that. We’re losing thousands of people to fentanyl.”<sup>201</sup> A spokesperson for China’s Foreign Ministry responded, “The root cause of the fentanyl issue in the United States does not lie with China. To solve the problem, the United States should look harder for the cause at home.”<sup>202</sup> The spokesperson’s comments appeared to refer to China’s position that the U.S. opioid epidemic is being driven by U.S. demand, rather than by Chinese supply.

## Legislation Related to China Introduced in the 116<sup>th</sup> Congress

In the 116<sup>th</sup> Congress, more than 150 bills and resolutions have been introduced with provisions related to China. For details, see **Table 8** below.

<sup>197</sup> Centers for Disease Control and Prevention, “12 Month-Ending Provisional Number of Drug Overdose Deaths by Drug or Drug Class,” National Vital Statistics System Vital Statistics Rapid Release, July 7, 2019, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>.

<sup>198</sup> U.S. Drug Enforcement Administration (DEA), *2018 National Drug Threat Assessment*, October 2018, p. 21, 33.

<sup>199</sup> “SCIO Briefing on Fentanyl-Related Substances Control,” April 1, 2019, [http://www.china.org.cn/china/2019-04/02/content\\_74637197.htm](http://www.china.org.cn/china/2019-04/02/content_74637197.htm).

<sup>200</sup> Michael Martina, “U.S. Welcomes China’s Expanded Clampdown on Fentanyl,” March 31, 2019, Reuters.

<sup>201</sup> The White House, “Remarks by President Trump before Marine One Departure,” August 1, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-marine-one-departure-56/>. See also President Donald J. Trump on Twitter, August 1, 2019, <https://twitter.com/realDonaldTrump/status/1156979445565202433>.

<sup>202</sup> “Root Cause of Fentanyl Issue Does Not Lie with China: FM Spokesperson,” Xinhua, August 2, 2019, [http://www.xinhuanet.com/english/2019-08/02/c\\_138279433.htm](http://www.xinhuanet.com/english/2019-08/02/c_138279433.htm).

**Table 8. Legislation with Provisions Related to China Introduced in the 116<sup>th</sup> Congress, Arranged by Topic**

Legislation that has been enacted and simple resolutions that have been adopted by a chamber are italicized and listed in bold print.

Topic	Bills and Resolutions
Broad Legislation with Multiple China-Related Provisions	<ul style="list-style-type: none"> <li>• P.L. 116-6, <b><i>Consolidated Appropriations Act, 2019</i></b> (Enacted 2/15/2019) (Roybal-Allard)</li> <li>• H.R. 2500, National Defense Authorization Act for FY2020 (Adam Smith)</li> <li>• H.R. 2740, Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020 (DeLauro)</li> <li>• H.R. 2839, Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020 (Lowey)</li> <li>• H.R. 3055, Commerce, Justice, Science, and Related Agencies Appropriations Act, 2020 (Serrano)</li> <li>• H.R. 3164, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2020 (Bishop)</li> <li>• H.R. 3494, Damon Paul Nelson and Matthew Young Pollard Intelligence Authorization Act for Fiscal Year 2020 (Schiff)</li> <li>• S. 1589, Damon Paul Nelson and Matthew Young Pollard Intelligence Authorization Act for Fiscal Years 2018-2020 (Burr)</li> <li>• S. 1790, The National Defense Authorization Act for FY2020 (Inhofe)</li> </ul>
Arms Control	<ul style="list-style-type: none"> <li>• H.R. 1231, Prevention of Arms Race Act of 2019 (Official title: To prevent a nuclear arms race resulting from weakened international restrictions on the proliferation of intermediate- and short-range missiles, and for other purposes) (Frankel)</li> <li>• H.R. 1471, Saudi Nuclear Nonproliferation Act of 2019 (Official title: To require a joint resolution of approval for the entry into effect of a civilian nuclear cooperation agreement with Saudi Arabia, and for other purposes) (Sherman)</li> <li>• H.R. 2707, New START Treaty Improvement Act of 2019 (Official title: To limit funding for any extension of the New START Treaty or any successor agreement unless the agreement includes the People's Republic of China and covers all strategic and non-strategic nuclear forces of the Russian Federation) (Cheney)</li> <li>• S.Con.Res. 16, A concurrent resolution expressing the sense of Congress that the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) continues to make an invaluable contribution to United States and international security, and noting former Senator Richard G. Lugar's indispensable contributions to international security and reducing nuclear weapons-related risks. (Merkley)</li> <li>• S. 312, Prevention of Arms Race Act of 2019 (Official title: A bill to prevent a nuclear arms race resulting from weakened international restrictions on the proliferation of intermediate- and shorter-range missiles, and for other purposes) (Merkley)</li> <li>• S. 612, Saudi Nuclear Nonproliferation Act of 2019 (Official title: A bill to require a joint resolution of approval for the entry into effect of a civilian nuclear cooperation agreement with Saudi Arabia, and for other purposes) (Markey)</li> <li>• S. 1285, SAVE Act (Save Arms Control and Verification Efforts Act of 2019) (Official title: A bill to require certifications and reporting in an unclassified form related to the national security implications of the New START Treaty, to provide for arms limitations in the event of the treaty's non-renewal, and for other purposes) (Markey)</li> <li>• S. 1433, New START Treaty Improvement Act of 2019 (Official title: A bill to limit funding for any extension of the New START Treaty or any successor</li> </ul>

Topic	Bills and Resolutions
	<p>agreement unless the agreement includes the People's Republic of China and covers all strategic and non-strategic nuclear forces of the Russian Federation) (Cotton)</p> <ul style="list-style-type: none"> <li>• S. 2394, Richard G. Lugar and Ellen O. Tauscher Act to Maintain Limits on Russian Nuclear Forces (Official title: A bill to require certain reports and briefings to Congress relating to the expiration of the New START Treaty, and for other purposes) (Van Hollen)</li> <li>• H.Con.Res. 39, Richard Lugar Nonproliferation and Arms Control Legacy Resolution (Official title: Expressing the sense of Congress that the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) continues to make an invaluable contribution to United States and international security, and noting former Senator Richard G. Lugar's indispensable contributions to international security and reducing nuclear weapons-related risks) (Sherman)</li> <li>• H.Res. 302, Embracing the goals and provisions of the Treaty on the Prohibition of Nuclear Weapons. (McGovern)</li> </ul>
Child Abduction	<ul style="list-style-type: none"> <li>• S.Res. 23, <b><i>A resolution supporting the goals and ideals of Countering International Parental Child Abduction Month and expressing the sense of the Senate that Congress should raise awareness of the harm caused by international parental child abduction</i></b> (Agreed to in Senate 4/11/2019) (Tillis)</li> </ul>
Cybersecurity	<ul style="list-style-type: none"> <li>• H.R. 739, Cyber Diplomacy Act of 2019 (Official title: To support United States cyber diplomacy, and for other purposes) (McCaul)</li> <li>• H.R. 1493, Cyber Deterrence and Response Act of 2019 (Official title: To address state-sponsored cyber activities against the United States, and for other purposes) (Yoho)</li> <li>• H.R. 2331, SBA Cyber Awareness Act (Official title: To require an annual report on the cybersecurity of the Small Business Administration, and for other purposes) (Crow)</li> <li>• S. 602, Cyber Deterrence and Response Act of 2019 (Official title: A bill to address state-sponsored cyber activities against the United States, and for other purposes) (Gardner)</li> <li>• S. 772, SBA Cyber Awareness Act (Official title: A bill to require an annual report on the cybersecurity of the Small Business Administration, and for other purposes) (Rubio)</li> <li>• S.Res. 140, A resolution urging the establishment of a Cyber League of Indo-Pacific States to address cyber threats. (Gardner)</li> </ul>
Defense	<ul style="list-style-type: none"> <li>• H.R. 3233, National Defense Strategy Implementation Act (Gallagher)</li> <li>• H.R. 2759, Department of Defense Climate Resiliency and Readiness Act (Official title: To require the Secretary of Defense to enhance the readiness of the Department of Defense to challenges relating to climate change and to improve the energy and resource efficiency of the Department, and for other purposes) (Escobar)</li> <li>• S. 1498, Department of Defense Climate Resiliency and Readiness Act (Official title: A bill to require the Secretary of Defense to enhance the readiness of the Department of Defense to challenges relating to climate change and to improve the energy and resource efficiency of the Department, and for other purposes) (Warren)</li> <li>• S. 2297, Coast Guard Authorization Act of 2019 (Sullivan)</li> </ul>
Fentanyl	<ul style="list-style-type: none"> <li>• H.R. 502, FIND Trafficking Act (Fight Illicit Networks and Detect Trafficking Act) (Official title: To require the Comptroller General of the United States to carry out a study on how virtual currencies and online marketplaces are used to buy, sell, or facilitate the financing of goods or services associated with sex trafficking or drug trafficking, and for other purposes) (Vargas)</li> </ul>

Topic	Bills and Resolutions
	<ul style="list-style-type: none"> <li>• H.R. 264, Financial Services and General Government Appropriations Act, 2019 (Quigley)</li> <li>• H.R. 1098, Blocking Deadly Fentanyl Imports Act (Official title: To gather information about the illicit production of illicit fentanyl in foreign countries and to withhold bilateral assistance from countries that do not have emergency scheduling procedures for new illicit drugs, cannot prosecute criminals for the manufacture or distribution of controlled substance analogues, or do not require the registration of tableting machines and encapsulating machines) (Sensenbrenner)</li> <li>• H.R. 1542, Combating Illicit Fentanyl Act of 2019 (Official title: To require a report that identifies each person in the People's Republic of China and Chinese Government official involved in the production of fentanyl and its trafficking into the United States, and for other purposes) (Chris Smith)</li> <li>• H.R. 2226, Fentanyl Sanctions Act (Official title: To impose sanctions with respect to foreign traffickers of illicit opioids, and for other purposes) (Buchanan)</li> <li>• H.R. 2483, Fentanyl Sanctions Act (Official title: To impose sanctions with respect to foreign traffickers of illicit opioids, and for other purposes) (Rose)</li> <li>• H.R. 2780, SAFE from Illicit Foreign Opioids Act (Save American Families Everywhere from Illicit Foreign Opioids Act) (Official title: To require the Secretary of State to develop and maintain an international diplomatic and assistance strategy to stop the flow of illicit opioids, including fentanyl, into the United States, and for other purposes) (McCaul)</li> <li>• H.R. 4102, SAFE Mail Act (Screening All Fentanyl-Enhanced Mail Act of 2019) (Official title: To require the screening of 100 percent of international mail and express cargo inbound into the United States from high-risk countries to detect and prevent the importation of illicit fentanyl and other illicit synthetic opioids, and for other purposes) (Clark)</li> <li>• S. 400, Blocking Deadly Fentanyl Imports Act (Official title: A bill to gather information about the illicit production of illicit fentanyl in foreign countries and to withhold bilateral assistance from countries that do not have emergency scheduling procedures for new illicit drugs, cannot prosecute criminals for the manufacture or distribution of controlled substance analogues, or do not require the registration of tableting machine and encapsulating machines) (Toomey)</li> <li>• S. 410, FIND Trafficking Act (Fight Illicit Networks and Detect Trafficking Act) (Official title: A bill to require the Comptroller General of the United States to carry out a study on how virtual currencies and online marketplaces are used to buy, sell, or facilitate the financing of goods or services associated with sex trafficking or drug trafficking, and for other purposes) (Cortez Masto)</li> <li>• S. 1044, Fentanyl Sanctions Act (Official title: A bill to impose sanctions with respect to foreign traffickers of illicit opioids, and for other purposes) (Schumer)</li> <li>• S. 2323, SAFE Mail Act (Screening All Fentanyl-Enhanced Mail Act of 2019) (Official title: A bill to require the screening of 100 percent of international mail and express cargo inbound into the United States from high-risk countries to detect and prevent the importation of illicit fentanyl and other illicit synthetic opioids, and for other purposes)</li> </ul>
Global Public Health	<ul style="list-style-type: none"> <li>• H.R. 826, End Neglected Tropical Diseases Act (Official title: To facilitate effective research on and treatment of neglected tropical diseases, including Ebola, through coordinated domestic and international efforts) (Chris Smith)</li> </ul>
Historical Ties	<ul style="list-style-type: none"> <li>• H.R. 3143, To posthumously promote Lieutenant Colonel Richard E. Cole, United States Air Force (retired), a colonel on the retired list (Roy)</li> <li>• S. 2228, To posthumously promote Lieutenant Colonel Richard E. Cole, United States Air Force (retired), a colonel on the retired list (Portman)</li> </ul>

Topic	Bills and Resolutions
	<ul style="list-style-type: none"> <li>P.L. 116-35, <b>LEGION Act (Let Everyone Get Involved in Opportunities for National Service Act)</b> (Official title: A bill to amend title 36, United States Code, to authorize The American Legion to determine the requirements for membership in The American Legion, and for other purposes) (Enacted 7/30/2019) (Sinema)</li> <li>H.Res. 165, Recognizing Chinese railroad workers who worked on the Transcontinental Railroad from 1865 to 1869, and their important contribution to the growth of the United States (Meng)</li> <li>H.Res. 401, Recognizing the significance of Asian/Pacific American Heritage Month in May as an important time to celebrate the significant contributions of Asian Americans and Pacific Islanders to the history of the United States (Chu)</li> <li>S.Res. 218, A resolution recognizing the significance of Asian/Pacific American Heritage Month as an important time to celebrate the significant contributions of Asian Americans and Pacific Islanders to the history of the United States (Hirono)</li> </ul>
Hong Kong	<ul style="list-style-type: none"> <li>H.R. 3289, Hong Kong Human Rights and Democracy Act of 2019 (Official title: To amend the Hong Kong Policy Act of 1992 and for other purposes) (Chris Smith)</li> <li>S. 1824, Hong Kong Policy Revaluation Act of 2019 (Official title: A bill to amend the United States-Hong Kong Policy Act of 1992 to require a report on how the People's Republic of China exploits Hong Kong to circumvent the laws of the United States) (Cruz)</li> <li>S. 1838, Hong Kong Human Rights and Democracy Act of 2019 (Official title: A bill to amend the Hong Kong Policy Act of 1992, and for other purposes) (Rubio)</li> <li>H.Res. 543, Recognizing Hong Kong's bilateral relationship with the United States, condemning the interference of the People's Republic of China in Hong Kong's affairs, and supporting the people of Hong Kong's right to protest (Sherman)</li> </ul>
Human Rights and Religion in China (including Xinjiang)	<ul style="list-style-type: none"> <li>H.R. 649, Uyghur Human Rights Policy Act of 2019 (Official title: to condemn gross human rights violations of ethnic Turkic Muslims in Xinjiang, and calling for an end to arbitrary detention, torture, and harassment of these communities inside and outside China) (Smith)</li> <li>H.R. 1025, UIGHUR Act of 2019 (Uighur Intervention and Global Humanitarian Unified Response Act of 2019) (Official title: To counter the mass arbitrary detention of Turkic Muslims, including Uighurs, within the Xinjiang Uighur Autonomous Region of the People's Republic of China, and for other purposes) (Sherman)</li> <li>S. 178, Uyghur Human Rights Policy Act of 2019 (Official title: A bill to condemn gross human rights violations of ethnic Turkic Muslims in Xinjiang, and calling for an end to arbitrary detention, torture, and harassment of these communities inside and outside China) (Rubio)</li> <li>S. 2386, TIANANMEN Act of 2019 (Targeting Invasive Autocratic Networks, And Necessary Mandatory Export Notifications Act of 2019) (Official title: A bill to impose sanctions with respect to surveillance in the Xinjiang Uygur Autonomous Region of the People's Republic of China, and for other purposes) (Cruz)</li> <li>H.Res. 345, Recognizing widening threats to freedoms of the press and expression around the world, reaffirming the centrality of a free and independent press to the health of democracy, and reaffirming freedom of the press as a priority of the United States in promoting democracy, human rights, and good governance in commemoration of World Press Freedom Day on May 3, 2019 (Agreed to in the House, 7/15/2019) (Schiff)</li> <li>H.Res. 393, Remembering the victims of the violent suppression of democracy protests in Tiananmen Square and elsewhere in China on June 3 and 4, 1989, and</li> </ul>

Topic	Bills and Resolutions
	<p>calling on the Government of the People's Republic of China to respect the universally recognized human rights of all people living in China and around the world (Agreed to in House, 6/4/2019) (McGovern)</p> <ul style="list-style-type: none"> <li>• H.Res. 493, Condemning the persecution of Christians in China (Hartzler)</li> <li>• H.Res. 512, Calling for the global repeal of blasphemy, heresy, and apostasy laws (Raskin)</li> <li>• S.Res. 179, A resolution recognizing widening threats to freedoms of the press and expression around the world, reaffirming the centrality of a free and independent press to the health of democracy, and reaffirming freedom of the press as a priority of the United States in promoting democracy, human rights, and good governance in commemoration of World Press Freedom Day on May 3, 2019 (Menendez)</li> <li>• S.Res. 221, A resolution recognizing the 30<sup>th</sup> anniversary of the Tiananmen Square massacre and condemning the intensifying repression and human rights violations by the Chinese Communist Party and the use of surveillance by Chinese authorities, and for other purposes (Agreed to in Senate, 06/05/2019) (Gardner)</li> <li>• S.Res. 274, A resolution expressing solidarity with Falun Gong practitioners who have lost lives, freedoms, and other rights for adhering to their beliefs and practices, and condemning the practice of non-consenting organ harvesting, and for other purposes (Menendez)</li> </ul>
Intelligence	<ul style="list-style-type: none"> <li>• H.R. 3476, POISE Act (Prevention and Oversight of Intelligence Sharing with Enemies Act) (Official title: To express the sense of Congress that section 502 of the National Security Act of 1947, together with other intelligence community authorities, obligate an element of the intelligence community to submit to the congressional intelligence committees written notification, by not later than 7 days after becoming aware, that an individual in the executive branch has disclosed covered classified information to an official of an adversary foreign government using methods other than established intelligence channels, and for other purposes) (Murphy)</li> <li>• H.R. 3997, Safe Career Transitions for Intelligence and National Security Professionals (Official title: To amend the Intelligence Reform and Terrorism Prevention Act of 2004 to prohibit individuals with security clearances from being employed by certain entities) (Banks)</li> </ul>
Migration	<ul style="list-style-type: none"> <li>• H.R. 2615, United States-Northern Triangle Enhanced Engagement Act (Official title: To support the people of Central America and strengthen United States national security by addressing the root causes of migration from El Salvador, Guatemala, and Honduras) (Engel)</li> </ul>
North Korea	<ul style="list-style-type: none"> <li>• H.R. 2949, North Korea Policy Oversight Act of 2019 (Engel)</li> <li>• S. 1658, North Korea Policy Oversight Act of 2019 (Menendez)</li> <li>• S. 2050, Leverage to Enhance Effective Diplomacy Act of 2019 (Official title: A bill to require global economic and political pressure to support diplomatic denuclearization of the Korean Peninsula, and for other purposes) (Gardner)</li> </ul>
Peace Corps	<ul style="list-style-type: none"> <li>• S. 2320, Peace Corps Mission Accountability Act (Official title: A bill to make improvements to the conduct of United States foreign policy through a change in the supervision of the Peace Corps and transferring it from the status of "independent agency" to a subordinate agency within the Department of State, and for other purposes) (Scott)</li> </ul>
Political Influence Operations	<ul style="list-style-type: none"> <li>• H.R. 1678, Protect Our Universities Act of 2019 (Official title: To create a task force within the Department of Education to address the threat of foreign government influence and threats to academic research integrity on college campuses, and for other purposes) (Banks)</li> </ul>



Topic	Bills and Resolutions
	<ul style="list-style-type: none"> <li>• H.R. 1811, Countering the Chinese Government and Communist Party's Political Influence Operations Act (Official title: To require an unclassified interagency report on the political influence operations of the Government of China and the Communist Party of China with respect to the United States, and for other purposes) (Chris Smith)</li> <li>• H.R. 3230, DEEP FAKES Accountability Act (Defending Each and Every Person from False Appearances by Keeping Exploitation Subject to Accountability Act of 2019) (Official title: To combat the spread of disinformation through restrictions on deep-fake video alteration technology) (Clarke)</li> <li>• S. 480, Countering the Chinese Government and Communist Party's Political Influence Operations Act (Official title: A bill to require an unclassified interagency report on the political influence operations of the Government of China and the Communist Party of China with respect to the United States, and for other purposes) (Rubio)</li> <li>• S. 939, CONFUCIUS Act (Concerns Over Nations Funding University Campus Institutes in the United States Act) (Official title: A bill to establish limitations regarding Confucius Institutes, and for other purposes) (Kennedy)</li> <li>• S. 1060, Defending Elections from Threats by Establishing Redlines Act of 2019 (Official title: A bill to deter foreign interference in United States elections, and for other purposes) (Van Hollen)</li> <li>• S. 1468, Cambodia Accountability and Return on Investment Act of 2019 (Official title: A bill to support the successful implementation of the 1991 Paris Peace Agreement in Cambodia, and for other purposes) (Graham)</li> <li>• S. 1879, Protect our Universities Act of 2019 (Official title: A bill to call on the Secretary of Homeland Security to lead a task force to address the threat of foreign government influence and threats to academic research integrity on college campuses, and for other purposes) (Hawley)</li> </ul>
Saudi Arabia	<ul style="list-style-type: none"> <li>• S. 2066, SADRA (Saudi Arabia Diplomatic Review Act of 2019) (Risch)</li> </ul>
Socialism	<ul style="list-style-type: none"> <li>• H.Res. 253, Recognizing that it is the sense of the United States House of Representatives that Socialism poses a significant threat to the freedom, liberty, and economic prosperity (Brooks)</li> </ul>
South China Sea and East China Sea	<ul style="list-style-type: none"> <li>• H.R. 3508, South China Sea and East China Sea Sanctions Act of 2019 (Official title: To impose sanctions with respect to the People's Republic of China in relation to activities in the South China Sea and the East China Sea, and for other purposes) (Gallagher)</li> <li>• S. 1634, South China Sea and East China Sea Sanctions Act of 2019 (Official title: A bill to impose sanctions with respect to the People's Republic of China in relation to activities in the South China Sea and the East China Sea, and for other purposes) (Rubio)</li> <li>• H.Res. 99, Expressing the sense of the House of Representatives that there is a need to rebuild the Navy and ensure that it is prepared to engage with adversaries around the world through an increased investment in the United States naval power (Banks)</li> <li>• H.Res. 454, Calling upon the United States Senate to give its advice and consent to the ratification of the United Nations Convention on the Law of the Sea (Courtney)</li> <li>• S.Res. 284, A resolution calling upon the United States Senate to give its advice and consent to the ratification of the United Nations Convention on the Law of the Sea (Hirono)</li> </ul>
Taiwan	<ul style="list-style-type: none"> <li>• H.R. 237, To direct the Secretary of State to develop a strategy to regain observer status for Taiwan in the World Health Organization, and for other purposes. (Yoho)</li> </ul>

Topic	Bills and Resolutions
	<ul style="list-style-type: none"> <li>• H.R. 353, To direct the Secretary of State to develop a strategy to regain observer status for Taiwan in the World Health Organization, and for other purposes. (Yoho)</li> <li>• H.R. 2002, Taiwan Assurance Act of 2019 (Official title: To foster security in Taiwan, and for other purposes) (McCaul)</li> <li>• S. 249, A bill to direct the Secretary of State to develop a strategy to regain observer status for Taiwan in the World Health Organization, and for other purposes. (Inhofe)</li> <li>• S. 878, Taiwan Assurance Act of 2019 (Official title: A bill to foster security in Taiwan, and for other purposes) (Cotton)</li> <li>• S. 1678, Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019 (Official title: A bill to express United States support for Taiwan's diplomatic alliances around the world) (Gardner)</li> <li>• H.Res. 248, Expressing the sense of the House of Representatives that the United States One-China Policy does not commit it to the People's Republic of China's One-China Principle, and for other purposes. (Chabot)</li> <li>• H.Res. 273, <b>Reaffirming the United States commitment to Taiwan and to the implementation of the Taiwan Relations Act</b> (Agreed to in House 05/07/2019) (Engel)</li> <li>• S.Con.Res. 13, A concurrent resolution reaffirming the United States commitment to Taiwan and to the implementation of the Taiwan Relations Act. (Gardner)</li> <li>• S.Res. 228, A resolution supporting measures taken by the Government of Taiwan to deter, or if so compelled, defeat, aggression by the Government of the People's Republic of China. (Hawley)</li> </ul>
Technology (See also Trade and Investment, below)	<ul style="list-style-type: none"> <li>• H.R. 618, A bill to establish the Office of Critical Technologies and Security, and for other purposes (Ruppersberger)</li> <li>• S. 29, A bill to establish the Office of Critical Technologies and Security, and for other purposes (Warner)</li> <li>• S. 2316, MICROCHIPS Act of 2019 (Manufacturing, Investment, and Controls Review for Computer Hardware, Intellectual Property, and Supply Act of 2019) (Official title: A bill to require a plan for strengthening the supply chain intelligence function, to establish a National Supply Chain Intelligence Center, and for other purposes) (Crapo)</li> </ul>
Telecommunications	<ul style="list-style-type: none"> <li>• H.R. 602, Telecommunications Denial Order Enforcement Act (Official title: To direct the President to impose penalties pursuant to denial orders with respect to certain Chinese telecommunications companies that are in violation of the export control or sanctions laws of the United States, and for other purposes) (Gallagher)</li> <li>• H.R. 2063, E-FRONTIER Act (Eliminate From Regulators Opportunities to Nationalize The Internet in Every Respect Act) (Official title: To prohibit the President or a Federal agency from constructing, operating, or offering wholesale or retail services on broadband networks without authorization from Congress, and for other purposes) (Cardenas)</li> <li>• H.R. 2779, Legislative Branch Appropriations Act, 2020 (Ryan)</li> <li>• H.R. 2841, ZTE Theft Act (Zero Tolerance for Electronics Theft Act) (Official title: To amend title 35, United States Code, with respect to actions for patent infringement, and for other purposes) (Chabot)</li> <li>• H.R. 3763, Promoting United States International Leadership in 5G Act of 2019 (Official title: To direct the Secretary of State to provide assistance and technical expertise to enhance the representation and leadership of the United States at international standards-setting bodies that set standards for 5<sup>th</sup> and future</li> </ul>

Topic	Bills and Resolutions
	<p>generations mobile telecommunications systems and infrastructure, and for other purposes) (McCaul)</p> <ul style="list-style-type: none"> <li>• S. 152, Telecommunications Denial Order Enforcement Act (Official title: A bill to direct the President to impose penalties pursuant to denial orders with respect to certain Chinese telecommunications companies that are in violation of the export control or sanctions laws of the United States, and for other purposes) (Cotton)</li> <li>• S. 335, ZTE Enforcement Review and Oversight Act (Official title: A bill to require the Secretary of Commerce to ensure that ZTE Corporation complies with all probationary conditions set forth in the settlement agreement entered into between ZTE Corporation and the Bureau of Industry and Security of the Department of Commerce) (Rubio)</li> <li>• S. 918, E-FRONTIER Act (Eliminate From Regulators Opportunities to Nationalize The Internet in Every Respect Act) (Official title: A bill to prohibit the President or a Federal agency from constructing, operating, or offering wholesale or retail services on broadband networks without authorization from Congress, and for other purposes) (Cruz)</li> <li>• S. 1625, United States 5G Leadership Act of 2019 (Official title: A bill to promote the deployment of commercial fifth-generation mobile networks and the sharing of information with communications providers in the United States regarding security risks to the networks of those providers, and for other purposes) (Wicker)</li> <li>• H.Res. 521, Commending the Government of Canada for upholding the rule of law and expressing concern over actions by the Government of the People's Republic of China in response to a request from the United States Government to the Government of Canada for the extradition of a Huawei Technologies Co., Ltd., executive (McCaul)</li> <li>• S.Con.Res. 10, A concurrent resolution recognizing that Chinese telecommunications companies such as Huawei and ZTE pose serious threats to the national security of the United States and its allies. (Gardner)</li> <li>• S.Res. 96, <b>A resolution commending the Government of Canada for upholding the rule of law and expressing concern over actions by the Government of the People's Republic of China in response to a request from the United States Government to the Government of Canada for the extradition of a Huawei Technologies Co., Ltd. executive</b> (Agreed to in Senate, 05/07/2019) (Risch)</li> </ul>
Tobacco	<ul style="list-style-type: none"> <li>• H.R. 1642, Combating the Illicit Trade in Tobacco Products Act (Official title: To authorize actions with respect to foreign countries engaged in illicit trade in tobacco products or their precursors, and for other purposes) (Jackson Lee)</li> <li>• S. 1965, Combating the Illicit Trade in Tobacco Products Act (Official title: A bill to authorize actions with respect to foreign countries engaged in illicit trade in tobacco products or their precursors, and for other purposes) (Wicker)</li> </ul>
Trade and Investment	<ul style="list-style-type: none"> <li>• H.R. 595, Denying Chinese Investors Access to U.S. Small Business Aid Act (Official title: To prohibit certain business concerns from receiving assistance from the Small Business Administration, and for other purposes) (Collins)</li> <li>• H.R. 704, Fair Trade with China Enforcement Act (Official title: To safeguard certain technology and intellectual property in the United States from export to or influence by the People's Republic of China and to protect United States industry from unfair competition by the People's Republic of China, and for other purposes) (Conaway)</li> <li>• H.R. 902, Protect American IPR Act (Official title: To direct the President to impose duties on merchandise from the People's Republic of China to compensate holders of United States intellectual property rights for losses</li> </ul>

Topic	Bills and Resolutions
	<p>resulting from violations of such intellectual property rights in China, and for other purposes) (King)</p> <ul style="list-style-type: none"> <li>• H.R. 1452, Import Tax Relief Act of 2019 (Official title: To require the establishment of a process for excluding articles imported from the People's Republic of China from certain duties imposed under section 301 of the Trade Act of 1974, and for other purposes.) (Kind)</li> <li>• H.R. 2219, Mongolia Third Neighbor Trade Act (Official title: To promote United States-Mongolia trade by authorizing duty-free treatment for certain imports from Mongolia, and for other purposes) (Yoho)</li> <li>• H.R. 2903, Blocking Investment in Our Adversaries Act (Official title: To amend title 5, United States Code, to prohibit the International Stock Index Investment Fund of the Thrift Savings Fund from investing in any entity in peer or near-peer competitor nations as outlined in the National Defense Strategy, and for other purposes) (Banks)</li> <li>• H.R. 3532, China Technology Transfer Control Act of 2019 (Official title: To control the export to the People's Republic of China of certain technology and intellectual property important to the national interest of the United States, and for other purposes) (Mark Green)</li> <li>• S. 2, Fair Trade with China Enforcement Act (Official title: A bill to safeguard certain technology and intellectual property in the United States from export to or influence by the People's Republic of China and to protect United States industry from unfair competition by the People's Republic of China, and for other purposes. (Rubio)</li> <li>• S. 75, Preventing SBA Assistance from Going to China Act of 2019 (Official title: A bill to prohibit certain business concerns from receiving assistance from the Small Business Administration, and for other purposes) (Rubio)</li> <li>• S. 188, Border, Law Enforcement, Operational Control, and Sovereignty Act of 2019 (Official title: To make revenue from certain duties imposed on goods imported from the People's Republic of China available for border security, and for other purposes) (Hyde-Smith)</li> <li>• S. 577, Import Tax Relief Act of 2019 (Official title: A bill to require the establishment of a process for excluding articles imported from the People's Republic of China from certain duties imposed under section 301 of the Trade Act of 1974, and for other purposes) (Lankford)</li> <li>• S. 846, Transit Infrastructure Vehicle Security Act (Official title: A bill to amend title 49, United States Code, to limit certain rolling stock procurements, and for other purposes) (Cornyn)</li> <li>• S. 1092, SECURE IP Act of 2019 (Sanction Entities in China for Undermining Rules, Exploiting Intellectual Property Act of 2019) (Official title: A bill to impose sanctions with respect to the theft of United States intellectual property by Chinese persons) (Cruz)</li> <li>• S. 1188, Mongolia Third Neighbor Trade Act (Official title: A bill to promote United States-Mongolia trade by authorizing duty-free treatment for certain imports from Mongolia, and for other purposes) (Cardin)</li> <li>• S. 1459, China Technology Transfer Control Act of 2019 (Official title: A bill to control the export to the People's Republic of China of certain technology and intellectual property important to the national interest of the United States, and for other purposes) (Hawley)</li> <li>• S. 2093, Rare Earth Cooperative 21<sup>st</sup> Century Manufacturing Act (Official title: A bill to provide for the establishment of the Thorium-Bearing Rare Earth Refinery Cooperative, and for other purposes) (Rubio)</li> </ul>

Topic	Bills and Resolutions
U.S.-China Economic and Security Review Commission, implementing recommendations of	<ul style="list-style-type: none"> <li>• H.R. 2565, U.S.-China Economic and Security Review Act of 2019 (Official title: To implement the recommendations of the U.S.-China Economic and Security Review Commission, and for other purposes) (Sherman)</li> <li>• S. 987, U.S.-China Economic and Security Review Act of 2019 (Official title: A bill to implement the recommendations of the U.S.-China Economic and Security Review Commission, and for other purposes) (Coons)</li> </ul>
Venezuela	<ul style="list-style-type: none"> <li>• S. 1025, VERDAD Act of 2019 (Venezuela Emergency Relief, Democracy Assistance, and Development Act of 2019) (Official title: A bill to provide humanitarian relief to the Venezuelan people and Venezuelan migrants, to advance a constitutional and democratic solution to Venezuela's political crisis, to address Venezuela's economic reconstruction, to combat public corruption, narcotics trafficking, and money laundering, and for other purposes) (Menendez)</li> </ul>
Visa Policy	<ul style="list-style-type: none"> <li>• H.R. 1044, Fairness for High-Skilled Immigrants Act of 2019 (Official title: To amend the Immigration and Nationality Act to eliminate the per-country numerical limitation for employment-based immigrants, to increase the per-country numerical limitation for family-sponsored immigrants, and for other purposes.) (Lofgren)</li> <li>• H.R. 2713, People's Liberation Army (PLA) Visa Security Act (Official title: To prohibit the issuance of F or J visas to researchers affiliated with the Chinese People's Liberation Army, and for other purposes) (Gallagher)</li> <li>• S. 386, Fairness for High-Skilled Immigrants Act of 2019 (Official title: A bill to amend the Immigration and Nationality Act to eliminate the per-country numerical limitation for employment-based immigrants, to increase the per-country numerical limitation for family-sponsored immigrants, and for other purposes) (Lee)</li> <li>• S. 1451, People's Liberation Army (PLA) Visa Security Act (Official title: A bill to prohibit the issuance of F or J visas to researchers affiliated with the Chinese People's Liberation Army) (Cotton)</li> </ul>

**Source:** Congress.gov.

**Notes:** Topic categorization is by CRS. Topics are listed alphabetically. Within topic areas, bill numbers are listed in ascending order and are hyperlinked to Congress.gov, and bills precede resolutions. Lead sponsors are listed in parentheses.

## China in the National Defense Authorization Act for FY2020

A major vehicle for legislation related to China is the annual National Defense Authorization Act. As of early August 2019, the National Defense Authorization Act for FY2020 is engrossed in the House of Representatives and the Senate (H.R. 2500 and S. 1790). **Table 9**, **Table 10**, **Table 11**, and **Table 12** identify provisions in the two bills that explicitly reference China, as well as several provisions potentially related or relevant to China.

**Table 9. Provisions of H.R. 2500 that refer explicitly to the PRC, Hong Kong, Taiwan, or entities associated with them**

Title/ Section Number	Section Title
250	Independent study on threats to United States national security from development of hypersonic weapons by foreign nations.
807	Acquisition and disposal of certain rare earth materials.

Title/ Section Number	Section Title
875	Small Business Administration cybersecurity reports.
1099G	Chinese language and culture studies within the Defense Language and National Security Education Office.
1099H	Modification of prohibition on availability of funds for Chinese language programs at certain institutions of higher learning.
1239	Annual report on cyber attacks and intrusions against the Department of Defense by certain foreign entities.
1246	Modification of annual report on military and security developments involving the People's Republic of China.
1247	Modification of annual report on military and security developments involving the People's Republic of China.
1248	Sense of Congress on Taiwan.
1250C	Report on ZTE compliance with Superseding Settlement Agreement and Superseding Order.
1250D	Limitation on removal of Huawei Technologies Co. Ltd. from entity list of Bureau of Industry and Security.
1250F	Report by Defense Intelligence Agency on certain military capabilities of China and Russia.
1250G	Report on cybersecurity activities with Taiwan.
1250J	Chinese foreign direct investment in countries of the Arctic region.
1270D	Western hemisphere resource assessment.
1270K	Report on implications of Chinese military presence in Djibouti.
1605	Prototype program for multi-global navigation satellite system receiver development.
1647	Report on military-to-military dialogue to reduce the risk of miscalculation leading to nuclear war.
1652	Report on nuclear forces of the United States and near-peer countries.
Title XVII	Sanctions with respect to foreign traffickers of illicit synthetic opioids (Sections 1702, 1703, 1711, and 1721 refer explicitly to China)

**Source:** H.R. 2500, as passed by the House on July 12, 2019, accessed August 1, 2019, via Congress.gov.

**Table 10. Provisions of H.R. 2500 potentially related to the PRC, Hong Kong, or Taiwan**

Title/ Section Number	Section Title
130	Air Force Aggressor Squadron Modernization.
218	Foreign malign influence operations research program.
230	STEM jobs action plan.
230A	Sense of Congress on future vertical lift technologies.
230C	Trusted supply chain and operational security standards for microelectronics.
233	Strategy and implementation plan for fifth generation information and communications technologies.
235	Artificial intelligence education strategy.



Title/ Section Number	Section Title
851	Supply chain security of certain telecommunications and video surveillance services or equipment.
852	Assured security against intrusion on United States military networks.
853	Revised authorities to defeat adversary efforts to compromise United States defense capabilities.
854	Prohibition on operation or procurement of foreign-made unmanned aircraft systems.
861	Modifications to the defense acquisition system.
Title IX Subtitle C	Space Matters
Title X Subtitle F	National Defense Strategy Implementation
1066	Mobility capability requirements study.
1069	Report on ground-based long-range artillery to counter land and maritime threats.
1071	Geographic command risk assessment of proposed use of certain aircraft capabilities.
1074	Report on operational concepts and plans regarding strategic competitors.
1078	Report on artificial intelligence.
1079	Report on financial costs of overseas United States military posture and operations.
1080D	Plan to increase and expand cold weather training.
1089	Securing American science and technology.
1099T	Designation of Department of Defense strategic Arctic ports.
Title X Subtitle I	North Korea Nuclear Sanctions
1209	Multinational regional security education center.
1240A	Reports relating to the New START Treaty.
1241	Modification of Indo-Pacific Maritime Security Initiative.
1245	Report on strategy in the Philippines.
1249	Enhancing defense cooperation with Singapore.
1250	Modification of report relating to enhancing defense and security cooperation with India.
1250A	Report on expansion of security cooperation and assistance to Pacific Island countries.
1250B	Report on foreign military activities in Pacific Island countries.
1250E	Sense of Congress on the enduring United States commitment to the Freely Associated States.
1250H	Sense of Congress on United States-India defense relationship.
1250I	United States-India defense cooperation in the Western Indian Ocean.
1261	Sense of Congress on United States partners and allies.
1270J	Prohibition on use of funds for shorter- or intermediate-range ground launched ballistic or cruise missile systems.
1270P	Sense of Congress relating to Mongolia.
1607	Independent study on plan for deterrence in space.
1610	Report on space debris.

Title/ Section Number	Section Title
1615	Funding for defense counterintelligence and security agency.
1649	Independent study on policy of no-first-use of nuclear weapons.
1661	National missile defense policy.
1672	Independent study on impacts of missile defense development and deployment.
Title XVII	Sanctions with respect to foreign traffickers of illicit synthetic opioids (in particular, Sections 1712, 1713, 1714, 1715, and 1731)

**Source:** H.R. 2500, as passed by the House on July 12, 2019, accessed August 1, 2019, via Congress.gov.

**Notes:** Based on their subject matters, the provisions in this table may have been motivated by concerns about the PRC or represent a possible response by the United States to PRC capabilities or actions. Other observers might exclude some of these provisions or include others not listed here.

**Table 11. Provisions of S. 1790 that refer explicitly to the PRC, Hong Kong, Taiwan, or entities associated with them**

Title/ Section Number	Section Title
238	Briefing on cooperative defense technology programs and risks of technology transfer to China or Russia.
863	Prohibition on operation or procurement of foreign-made unmanned aircraft systems.
1041	Designation of Department of Defense Strategic Arctic Ports.
1054	Report on joint force plan for implementation of strategies of the Department of Defense for the Arctic.
1243	Report on nuclear weapons of the Russian Federation and nuclear modernization of the People's Republic of China.
1253	Modification of annual report on military and security developments involving the People's Republic of China.
1254	Report on resourcing United States defense requirements for the Indo-Pacific region.
1257	Sense of Senate on enhancement of the United States-Taiwan defense relationship.
1271	Report on cost imposition strategy.
1285	Modification of initiative to support protection of national security academic researchers from undue influence and other threats.
1672	Expansion of national missile defense policy and program redesignation.
5203	Comparative capabilities of adversaries in artificial intelligence.
5302	Sense of Senate on prioritizing survivable logistics for the Department of Defense.
5801	Report on contracts with entities affiliated with the Government of the People's Republic of China or the Chinese Communist Party.
6208	Sense of Congress on Hong Kong port visits.
6209	Sense of Congress on policy toward Hong Kong.
6211	Review and report on obligations of the United States under Taiwan Relations Act.
6212	Implementation of the Asia Reassurance Initiative Act with Regard to Taiwan arms sales.
6214	Report on military activities of the Russian Federation and the People's Republic of China in the Arctic region.
6216	Updated strategy to counter the threat of malign influence by the Russian Federation and other countries.

Title/ Section Number	Section Title
6602	Sense of Senate on support for a robust and modern ICBM force to maximize the value of the nuclear triad of the United States.
Title LXVIII	Sanctions with respect to foreign traffickers of illicit synthetic opioids. (Sections 6802, 6803, 6811, and 6821 refer explicitly to China.)
9402	Comprehensive economic assessment of investment in key United States technologies by companies or organizations linked to China.
10307	Consideration of adversarial telecommunications and cybersecurity infrastructure when sharing intelligence with foreign governments and entities.
10709	Expansion of scope of committee to counter active measures and report on establishment of Foreign Malign Influence Center.
10731	Intelligence assessment of North Korea revenue sources.
10747	Sense of Congress on notification of certain disclosures of classified information.

**Source:** S. 1790, as passed by the Senate on June 27, 2019, accessed on August 2, 2019, via Congress.gov.

**Table 12. Provisions of S. 1790 potentially related to the PRC, Hong Kong, or Taiwan**

Title/ Section Number	Section Title
144	Air Force aggressor squadron modernization.
215	Sense of the Senate on the Advanced Battle Management System.
233	Requiring certain microelectronics products and services meet trusted supply chain and operational security standards.
236	Sense of the Senate and periodic briefings on the security and availability of fifth-generation (5G) wireless network technology and production.
341	Report on modernization of Joint Pacific Alaska Range Complex.
832	Assessment of precision-guided missiles for reliance on foreign-made microelectronic components.
833	Mitigating risks related to foreign ownership, control, or influence of Department of Defense contractors or subcontractors.
1252	Expansion of Indo-Pacific Maritime Security Initiative.
1255	Report on distributed lay-down of United States forces in the Indo-Pacific region.
1256	Sense of Senate on the United States-Japan alliance and defense cooperation.
1258	Sense of Senate on United States-India defense relationship.
1259	Sense of Senate on security commitments to the Governments of Japan and the Republic of Korea and trilateral cooperation among the United States, Japan, and the Republic of Korea.
1260	Sense of Senate on enhanced cooperation with Pacific Island countries to establish open-source intelligence fusion centers in the Indo-Pacific region.
1261	Sense of Senate on enhancing defense and security cooperation with the Republic of Singapore.
1287	United States Central Command posture review.
1634	Framework to enhance cybersecurity of the United States defense industrial base.
1642	Study on future cyber warfighting capabilities of the Department of Defense.
1673	Acceleration of the deployment of persistent space-based sensor architecture.

Title/ Section Number	Section Title
1678	Sense of the Senate on missile defense technology development priorities.
1681	Matters relating to military operations in the formation environment.
6201	Statement of policy and sense of Senate on Mutual Defense Treaty with the Republic of the Philippines.
6202	Sense of Senate on enhanced cooperation with Pacific Island countries to establish open-source intelligence fusion centers in the Indo-Pacific region.
6219	Modification of initiative to support protection of national security academic researchers from undue influence and other security threats.
6401	Assessment of rare earth supply chain issues.
6831	Director of National Intelligence program on use of intelligence resources in efforts to sanction foreign opioid traffickers.
Title LXIX	Otto Warmbier Banking Restrictions Involving North Korea Act of 2019 (in particular, Sections 6911, 6921, 6924, and 6935).
Title LXXXV, Subtitle B	Maritime Security and Fisheries Enforcement Act.
9404	Encouraging cooperative actions to detect and counter foreign influence operations.
9405	Oversight of foreign influence in academia.
9406	Director of National Intelligence report on fifth-generation wireless network technology.
10706	Report on outreach strategy addressing threats from United States adversaries to the United States technology sector.
10715	Biennial report on foreign investment risks.
10716	Report on surveillance by foreign governments against United States telecommunications networks.

**Source:** S. 1790, as passed by the Senate on June 27, 2019, accessed August 2, 2019, via Congress.gov.

**Notes:** Based on their subject matters, the provisions in this table may have been motivated by concerns about the PRC or represent a possible response by the United States to PRC capabilities or actions. Other observers might exclude some of these provisions or include others not listed here.

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