United States Senate
WASHINGTON, DC 20510

July 28, 2025

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

Dear Secretary Lutnick:

We write today to express grave concern with the administration's abrupt and inexplicable decision to reverse course and allow the sale of certain advanced semiconductors to the People's Republic of China (PRC), despite extensive evidence that these chips have proved critical for artificial intelligence (AI) development in the PRC. Last week, as part of trade negotiations with Beijing, the administration announced that it would approve licenses for Nvidia to resume sales of the H20 – a chip developed by Nvidia in response to prior controls on the firm's H100 and H800 chips – to the People's Republic of China (PRC) -- and will presumably allow chips of similar capabilities from other manufacturers to again flow into the PRC.[1] This decision is an abrupt departure from the administration's position in April that the PRC's continued access to these types of chips posed a serious national security risk – and it undermines the administration's recent *AI Action Plan*, which purports to strengthen export control efforts on AI compute.

A cornerstone of U.S artificial intelligence strategy for years has been to protect America's advantage in AI computing capability and access to leading-edge hardware, compared to the PRC and other key adversaries. AI represents a crucial enabling technology that is critical to the future of everything from finance to healthcare, manufacturing, and national security. The PRC seeks to use AI to strengthen its military systems like hypersonics, as well as its communications, surveillance, battlefield decision-making processes. In parallel, the PRC has sought to shape commercial AI ecosystems – in ways that cultivate foreign dependency on PRC technology, posing long-term counter-intelligence and competitiveness risks to the United States. Moreover, given Beijing's control over all aspects of the Chinese economy, advances by PRC national champions such as DeepSeek, Alibaba, and Tencent are quickly translating into a national security advantage for the People's Liberation Army and Ministry of State Security.

Restricting access to leading-edge chips has been *the* defining barrier for the PRC's efforts to achieve AI parity – both in training frontier models and, equally importantly, in supporting inference infrastructure that can support global scale for PRC model vendors and PRC cloud providers. The Trump administration recognized that risk in April when it tightened the PRC's access to chips like the H20 that are highly sought-after by PRC-based entities due both to the chips' ability to support large-scale training efforts by PRC firms, as well as their superior inferencing capabilities. Indeed by many measures the H20 performs better than other controlled chips: with the addition of high-bandwidth memory features and improved power-efficiency, many PRC firms reportedly *prefer* the H20 to other controlled chips, such as

[1] Mackenzie Hawkins, *Nvidia, AMD to Resume AI Chip Sales to China in US Reversal*, Bloomberg, (July 15, 2025), https://www.bloomberg.com/news/articles/2025-07-15/nvidia-expects-license-to-sell-h20-ai-chip-to-china-again (on file with author)

Nvidia's H800 and H100 and certainly to their Chinese equivalents like the Huawei Ascend.[2] Remarkably, the administration's own *AI Action Plan* may in fact *exacerbate* the harm of rescinding these controls: by aggressively endorsing proliferation of powerful open weight models from U.S. firms, while simultaneously giving PRC firms access to leading-edge chips to finetune those models and deploy them to millions of global users on H20-enabled PRC cloud infrastructure, the administration has in effect reduced *two* key barriers to PRC efforts to challenge U.S. AI leadership.

Limiting the PRC's access to advanced compute has been a focus of Congress: one with a strong bipartisan commitment across both chambers and both parties. The PRC's development of advanced AI capabilities represents a clear risk to the United States' national and economic security, and the administration's willingness to trade away that security is extremely troubling. While chipsets like the H20 and MI308 have differing capabilities than the most advanced chips like the H100, they give the PRC capabilities that its domestically-developed chipsets cannot. The capabilities that chips like the H20 allow the PRC, demonstrated by the importance that the PRC places on access to them, should be the principal factor driving any decision to allow sales to China.

There are ongoing debates around how to best limit the PRC's access to compute, separate and independent of export controls. Much of the focus has been on country-specific chip sales caps, and we need to focus on preventing the PRC's access to chips, including with other mechanisms in place to mitigate the PRC's ability to potentially advance ahead of the U.S. There are legitimate measures that should be further explored to prevent the PRC's unfettered advancement in AI contrary to our national security interests.

Furthermore, we take issue that this administration is permitting adversaries access to technologies critical to national security as part of trade discussions without consultation or input from Congress. While the Executive Branch is entrusted with vital authorities to negotiate trade agreements and protect our national security, these authorities by no means should be treated as in tension, particularly when such an approach has the effect of jeopardizing *both* economic and national security goals. We shouldn't be trading away key technological advantages as if they are concessions in a trade negotiation.

We urge you to swiftly reverse course on these ill-advised actions and protect American advantages across the compute stack.

Sincerely,

Mark R Warner

Mark R. Warner
United States Senator

Jack Reed

Jack Reed
United States Senator

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[2] Raffaele Huang, Stu Woo, and Asa Fitch, "Everyone's Rattled by the Rise of DeepSeek – Except Nvidia, Which Enabled It," *Wall Street Journal*, Feb. 2, 2025; Dylan Patel, Daniel Nishball, and Myron Xie, "Nvidia's New China AI Chips Circumvent US Restrictions – H20 Faster than H100, Huawei Ascend 910." *SemiAnalysis*, Nov. 9, 2023.

Elizabeth Warren
United States Senator

Charles E. Schumer
United States Senator

Christopher A. Coons
United States Senator