

United States Senate

WASHINGTON, DC 20510

November 12, 2025

The Honorable Donald Trump
President
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

President Trump:

We write with concern about your decision to suspend critical Bureau of Industry and Security (BIS) export controls for one year as a concession to China. Prior Presidents have refused to negotiate away national security controls. You, in contrast, have turned export controls into a chip to bargain away. The suspension of these controls undermines U.S. national security and will make it far more difficult to stem the illicit diversion of American-made semiconductors and other advanced technology to Chinese state-affiliated entities. In return, you have received very little: a temporary truce in your disastrous trade war that leaves Americans worse off than when you took office and preserves a status quo in which China is undercutting U.S. national and economic security. We urge you to reinstate these controls and end your giveaway of key national security tools.

On September 29, 2025, BIS announced a new rule closing a critical loophole in U.S. export control policy that has undercut enforcement for years. Before BIS released this “affiliates rule” this year, foreign companies that are otherwise restricted from receiving many U.S.-derived exports on account of American national security interests could establish subsidiaries or cut-outs to evade export controls and obtain advanced U.S. technologies including artificial intelligence (AI) chips and surveillance technology. Blocked firms use complex networks of shell companies, subsidiaries, and affiliates that were not included on the Entity List to acquire these items. The affiliates rule closes this loophole by automatically subjecting any entity that is at least 50% owned by an individual or company that is already included on the Entity List to the same strict license requirements as the parent company.

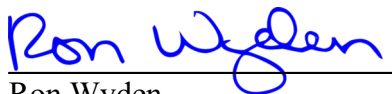
Senior administration officials agree this rule was long overdue. In the September announcement of this rule, BIS Undersecretary Jeffrey Kessler stated that “[f]or too long, loopholes have enabled exports that undermine American national security and foreign policy interests.” As BIS explained in the rule, the Entity List is a “vital tool” for national security, but it can only be effective if “restrictions [...] extend to foreign affiliates that are owned, directly or indirectly, by one or more listed entities to prevent diversion to listed entities of concern.” Yet, just over a month after the affiliates rule was first announced, you have traded it away as part of negotiations with China. The suspension of this rule for at least one year undermines BIS authority at a time when export controls on advanced semiconductors are paramount to protect American technological leadership. Not only does the suspension of this rule reopen the loophole immediately, it also provides a year-long opportunity for affiliates of blacklisted foreign firms to restructure in order to evade the rule if and when it is reinstated.

Foreign companies on the Entity List have frequently used this blind spot in U.S. export control policy to their advantage. For instance, although Huawei has long been blocked from purchasing certain advanced semiconductors, the company has used numerous subsidiaries to circumvent these controls, forcing BIS to add at least 149 additional Huawei subsidiaries to the Entity List in a whack-a-mole effort to address this evasion. It is estimated that an additional 20,000 subsidiaries and affiliates of listed companies in China alone would be automatically subject to restrictions under this rule and will now instead be able to receive controlled items and technology without license requirements—putting American-developed advanced computing technologies at risk of advancing China’s agenda instead of our own.

Not only that, but the rapid back-and-forth between the initial announcement and subsequent suspension of this rule also inhibits the ability of American companies to plan and conduct critical supply chain due diligence efficiently. The affiliates rule takes important steps to modernize U.S. list-based export controls, but it also imposes significant due diligence requirements on U.S. companies that do business abroad. Abruptly suspending this rule will cause compliance difficulties for companies that are making good-faith efforts to proactively comply with all export controls and are now dealing with an increasingly uncertain regulatory environment.

Robust and stable export controls are essential to protect American national security and global technological leadership. Yet you have all too frequently chosen to trade away national security in search of quick handshake “deals” to mitigate the harms of trade wars of your own making. Suspending the affiliates rule is yet another example of this troubling pattern. We urge you to reconsider this misguided strategy and ensure that our nation’s export controls are no longer used as a bargaining chip.

Sincerely,



Ron Wyden
United States Senator



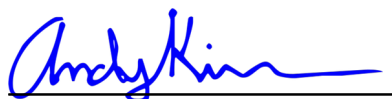
Charles E. Schumer
United States Senator



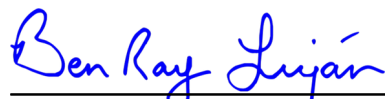
Elizabeth Warren
United States Senator



Catherine Cortez Masto
United States Senator



Andy Kim
United States Senator



Ben Ray Lujan
United States Senator

A handwritten signature in blue ink that reads "Jeffrey A. Merkley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jeffrey A. Merkley
United States Senator

A handwritten signature in blue ink that reads "Chris Van Hollen". The signature is cursive and stylized, with a large initial "C" and a long horizontal stroke at the end.

Chris Van Hollen
United States Senator