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# United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEBSITE: <https://commerce.senate.gov>

LILA HARPER HELMS, MAJORITY STAFF DIRECTOR  
BRAD GRANTZ, REPUBLICAN STAFF DIRECTOR

December 19, 2024

The Honorable Joseph R. Biden, Jr.  
President of the United States of America  
The White House  
Washington, D.C. 20500

Dear Mr. President:

The story of the twenty-first century will be written by whichever nation can innovate the fastest. This generation's Space Race is unfolding with technologies invisible to the naked eye where the winners and the losers of AI and microchips will be separated by mere nanometers.

So that the U.S. might better compete in this race and strengthen national security, Congress enacted the CHIPS and Science Act, authorizing billions in federal grants to incentivize domestic semiconductor manufacturing and packaging. As your administration implements this law, press reports indicate that you may severely restrict exports of AI chips—precisely the types of advanced components on which we must lead—to certain countries for use in large computing facilities.<sup>1</sup> Specifically, reports indicate your administration is considering including in the rule country- and company-specific market caps that would limit the number of chips allowed for sale to each foreign nation. The Office of Management and Budget has also said the interim final rule is not economically or internationally significant,<sup>2</sup> skirting a more robust review process and an open comment period for impacted stakeholders to provide feedback on the rule.

We write to urge you to reconsider these proposed restrictions in favor of a more even-handed approach. Such draconian restrictions would severely hinder the sale of U.S. technology abroad and risk driving foreign buyers to Chinese competitors like Huawei—precisely the actors the CHIPS and Science Act sought to protect against. The potential fallout of undermining American technological leadership and economic standing are substantial. The risks are even greater when, as here, the restrictions are drafted without giving affected companies an opportunity to advise on the real world consequences or how the rule could be drafted to avoid negative ramifications. The proposed rule has also yet to be shared with Congress, denying lawmakers the chance to give input, too.

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<sup>1</sup> E.g., Liza Lin & Asa Fitch, *U.S. Prepares New AI Chip Restrictions to Close China's Backdoor Access*, WALL. ST. J. (Dec. 13, 2024), <https://www.wsj.com/tech/u-s-prepares-new-ai-chip-restrictions-to-close-chinas-backdoor-access-a598d0fc>.

<sup>2</sup> EXEC. OFFICE OF THE PRESIDENT, OFFICE OF MGMT & BUDGET, OFFICE OF INFO. & REGULATORY AFFAIRS, RIN 0694-AJ90 PENDING EO 12866 REGULATORY REVIEW, <https://www.reginfo.gov/public/do/eoDetails?rrid=819412>.

Export controls are a necessary tool to protect sensitive technologies from falling into the hands of bad actors who would use them to harm national security. However, these controls must be carefully calibrated to avoid unintended consequences that could weaken America's global position and inadvertently empower those who seek to undermine U.S. interests.

It is essential that we ensure the continued safety, security, and leadership of American technology in the global market. The future of space exploration, the security of U.S. telecommunications systems, the viability of commercially competitive quantum computing, and all technological leaps in the coming decades depend on cutting-edge semiconductor technologies. It is for this reason that, as we work to revitalize American semiconductor manufacturing and the supply chain that fuels it, we must avoid undermining the very American-based operations and firms that will drive these advancements with arbitrary caps on product sales.

Sincerely,



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Maria Cantwell  
Chair



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Ted Cruz  
Ranking Member