

United States Senate

WASHINGTON, DC 20510

May 15th, 2018

President Donald Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

Your recent remarks directing Secretary Ross to help ZTE – a Chinese company that has repeatedly sold sensitive U.S. technologies to Iran and North Korea in clear violation of American sanctions laws --- call into grave doubt whether this Administration will put American jobs and national security first.

If acted upon, your instruction would reverse a law enforcement decision by Secretary Ross to impose a seven-year denial of export privileges on ZTE, setting aside that decision made in the interests of U.S. national security to cushion the employment impact on the Chinese company. ZTE not only violated US sanctions law but then repeatedly lied about steps it would take to remedy the problems. As Secretary Ross noted when he imposed the order, “ZTE made false statements to the U.S. Government when they were originally caught and put on the Entity List, made false statements during the reprieve it was given, and made false statements again during its probation. ZTE misled the Department of Commerce. Instead of reprimanding ZTE staff and senior management, ZTE rewarded them. This egregious behavior cannot be ignored.”

In addition to paying a fine of \$1.2 billion, and pleading guilty to knowingly violating U.S. sanctions laws, ZTE agreed to a multi-year denial of export privileges, to be activated if any aspect of the agreement was not met and/or if the company committed additional violations of US export control regulations. Prompted by new violations, Commerce imposed the denial.

America’s national security must not be used as a bargaining chip in trade negotiations. Offering to trade American sanctions enforcement to promote jobs in China is plainly a bad deal for American workers and for the security of all Americans. Bargaining away law enforcement power over bad actors such as ZTE undermines the historically sharp distinction between sanctions and export control enforcement and routine trade decisions made by the US.

Your order comes as your administration is in the midst of discussions with China to address China’s market-distorting policies and other tactics to undermine key American industries. Beyond appearing to risk American national security, the statement suggests that the Administration is not serious about addressing the many economic challenges China presents. The devastating effects of China’s trade policies are clear. As your top trade negotiator recognized in his trade report on China less than six months ago, to address the “very serious and harmful problems generated by China’s trade regime”, China must “truly embrace a

market-oriented approach, rooted in the fundamental WTO principles of non-discrimination, market access, reciprocity, fairness and transparency.” There is no evidence that China has agreed to such a shift in approach.

American workers and companies confront rampant theft of U.S. intellectual property, agricultural policies that disadvantage American farmers, restrictions on market access for U.S. service providers and manufacturers, and mercantilist industrial policies that have cost U.S. workers their jobs. America’s policies toward China should put American workers, farmers and businesses first, not China’s.

We urge you to focus on identifying effective strategies to reshape China’s policy approach in each of these areas, such as through enforceable commitments to eliminate forced technology transfer policies, market distorting subsidies, data localization policies, and foreign investment restrictions, and ensuring nondiscriminatory treatment of U.S. firms in regulatory and other proceedings. Above all, we urge you to remain steadfast in enforcing America’s laws.

Sincerely,



Ron Wyden
United States Senator



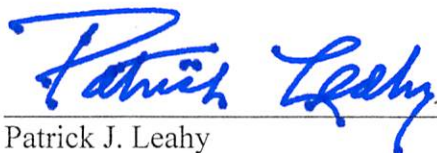
Sherrod Brown
United States Senator



Charles E. Schumer
United States Senator



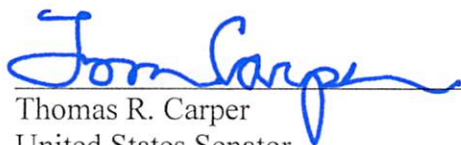
Richard J. Durbin
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Jack Reed
United States Senator



Thomas R. Carper
United States Senator



Bill Nelson
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Debbie Stabenow
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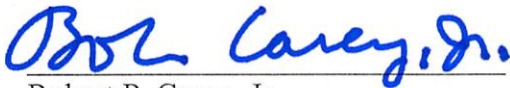
Robert Menendez
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Benjamin L. Cardin
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Amy Klobuchar
United States Senator



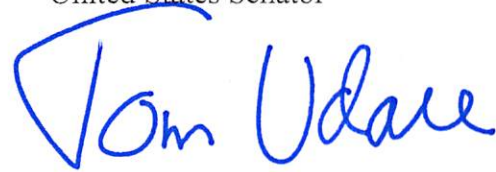
Robert P. Casey, Jr.
United States Senator



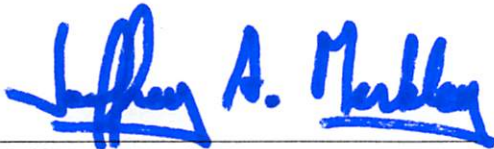
Sheldon Whitehouse
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Jeanne Shaheen
United States Senator



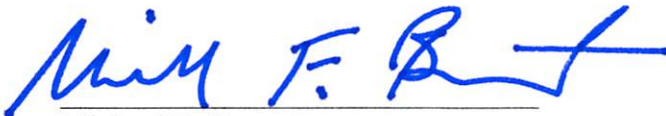
Tom Udall
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Jeffrey A. Merkley
United States Senator



Mark R. Warner
United States Senator



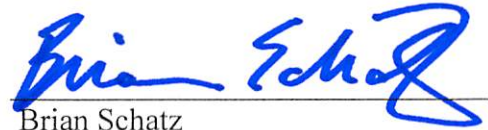
Michael F. Bennet
United States Senator



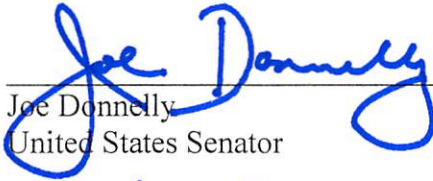
Christopher A. Coons
United States Senator



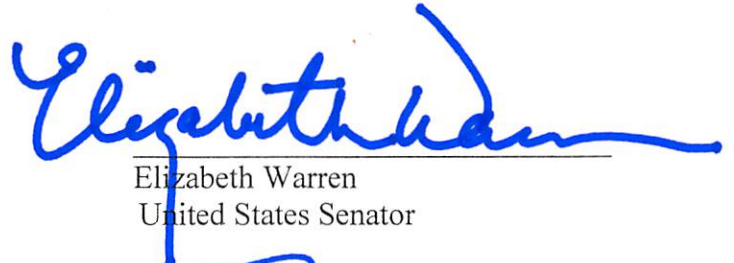
Richard Blumenthal
United States Senator



Brian Schatz
United States Senator



Joe Donnelly
United States Senator



Elizabeth Warren
United States Senator



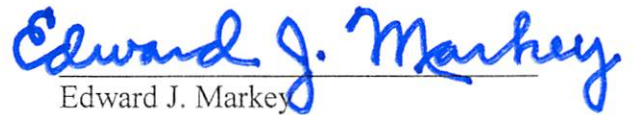
Martin Heinrich
United States Senator



Tim Kaine
United States Senator



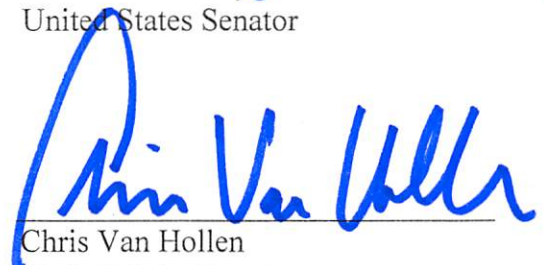
Tammy Baldwin
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Edward J. Markey
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Gary C. Peters
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Chris Van Hollen
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Catherine Cortez Masto
United States Senator



Tina Smith
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Bernard Sanders
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