

COMPREHENSIVE LIST OF THE COMMISSION'S RECOMMENDATIONS

Chapter 1—The United States-China Trade and Economic Relationship

The U.S.-China Trade and Economic Relationship's Current Status and Significant Changes During 2008

1. The Commission recommends that Congress urge the administration to employ more aggressively all trade remedies authorized by World Trade Organization (WTO) rules to counteract the Chinese government's practices. The Commission further recommends that Congress urge the administration to ensure that U.S. trade remedy laws are preserved and effectively implemented to respond to China's unfair or predatory trade activities so as to advance the interests of U.S. businesses.
2. The Commission recommends that Congress enact legislation that will ensure effective response to China's currency manipulation.
3. The Commission recommends that Congress urge the administration to monitor the implementation and enforcement of China's updated antimonopoly and patent laws to ensure that they are consistent with its WTO commitments and do not discriminate against foreign suppliers. In particular, the Chinese laws should not be used to shield state-owned enterprises from equal enforcement of the laws, in compliance with China's WTO commitments.

China's Capital Investment Vehicles and Implications for the U.S. Economy and National Security

4. The Commission recommends that Congress, within the context of its broader review of financial and corporate regulation, create enforceable disclosure requirements regarding the investments in the United States of all foreign sovereign wealth funds and other foreign state-controlled companies and investment vehicles. Such disclosure requirements, embodied in law or regulation, should include but not be limited to holdings in any public or private company, hedge fund, private equity fund, investment partnership, and/or investment vehicle.
5. The Commission recommends that Congress direct the president to establish an interagency task force made up of the U.S. Department of the Treasury, the U.S. Securities and Exchange Commission, and other appropriate government agencies to identify and address the unique national security and economic challenges created by the lack of transparency and political character of China's sovereign wealth funds and government-controlled companies.

6. The Commission recommends that Congress monitor the implementation and application of the Foreign Investment and National Security Act of 2007 and other appropriate laws and regulations with respect to the possibility of China's sovereign wealth funds acting in concert with other Chinese government-controlled companies and/or investment vehicles in a manner that technically fails to activate the established review process.

Research and Development, Technological Advances in Some Key Industries, and Changing Trade Flows with China

7. The Commission recommends that Congress revive the Office of Technology Assessment, which for 23 years advised Congress on the social, economic, and environmental consequences of technology. The office should be reopened with the mission of advising Congress on technology policy and related issues, with specific attention to Chinese actions that affect U.S. technology interests.
8. The Commission recommends that Congress prevent further cuts in information and statistical analysis by the chief economic departments and agencies of the executive branch and encourage the administration to improve its collection of information about China's impact on globalization.

A Case Study of the Local Impact of Trade with China: Seafood Imports from China into Louisiana and the U.S. Gulf Coast, and Related Safety Issues

9. The Commission recommends that Congress grant the authority to the Food and Drug Administration (FDA) to identify and indelibly mark imports of fish that fail to meet the agency's standards of safety and to seize and destroy shipments of fish that foreign governments report have been contaminated or that subsequently are recalled in that country. The Commission further recommends that Congress pass legislation to institute within the FDA an import inspection and equivalency of standards program for fish similar to the meat and poultry inspection program administered by the U.S. Department of Agriculture.
10. The Commission recommends that Congress authorize the National Oceanic and Atmospheric Administration (NOAA) and the FDA to test imported fish for any contaminants typically found in polluted waters, such as mercury, and to expand funding for research into the potential harm to consumers of fish contaminated with the antibiotics, pesticides, and industrial wastes typically found in unregulated Chinese aquaculture operations.
11. The Commission recommends that Congress revise the Country of Origin Labeling regulations on fish to place the program under the jurisdiction of the FDA rather than the U.S. Department of Agriculture and to remove from the law's provisions loopholes that exempt much of the fish sold in fish markets.
12. The Commission recommends that Congress authorize the expansion of the NOAA's fish inspection and certification pro-

gram. By expanding this voluntary, fee-based system for imported fish, Congress could enable consumers to be better informed, while encouraging American fish importers to follow the highest health and safety practices for their products—at little or no cost to taxpayers. NOAA’s inspection and certification program approximates the U.S. Department of Agriculture’s meat and poultry program.

13. The Commission recommends that Congress pass legislation to enhance the authority of the Customs and Border Protection agency of the U.S. Department of Homeland Security (DHS) to collect penalty tariffs in antidumping cases. Exporters in China have been able to circumvent such duties by transshipping through third countries not covered by antidumping orders, while importers have used a variety of means to escape paying the duties.

Chapter 2—China’s Activities Directly Affecting U.S. Security Interests

China’s Proliferation Policies and Practices

14. The Commission recommends that Congress encourage the administration to seek dialogue on civil nuclear security and to cooperate with China to ensure that its rapid expansion of civil nuclear power does not result in a decline in safety standards or lead to the proliferation of nuclear weapons expertise, technology, or related materials.
15. In order to prevent the proliferation of weapons technology, the Commission recommends that Congress urge the administration to enhance its cooperation with China in strengthening export control and border control programs and in improving the capacity of Chinese officials to implement those programs.

China’s Views of Sovereignty and Methods of Controlling Access to its Territory

16. The Commission recommends that Members of Congress during interparliamentary exchanges with their counterpart members of China’s National People’s Congress reiterate the commitments that China has made as a party to the Outer Space Treaty of 1967 and the United Nations Convention on the Law of the Sea.
17. The Commission recommends that Congress direct the U.S. departments of State and Defense to examine the implications of China’s use of media manipulation and “lawfare” for U.S. foreign policy and military activities.

The Nature and Extent of China’s Space and Cyber Activities and their Implications for U.S. Security

18. The Commission recommends that Congress assess the adequacy of and, if needed, provide additional funding for military, intelligence, and homeland security programs that monitor and protect critical American computer networks and sensitive in-

formation, specifically those tasked with protecting networks from damage caused by cyber attacks.

19. The Commission recommends that Congress urge the administration to engage in consultations with its allies on an alliance-based approach to dealing with cyber attacks originating in China.
20. In order to maintain the security of computer networks used by U.S. government agencies and defense contractors, the Commission recommends that Congress assess the security and integrity of the supply chain for computer equipment employed in those government and contractor networks—particularly those used by the Department of Defense—and, if necessary, provide additional funding to ensure the acquisition of equipment from trustworthy sources.
21. The Commission recommends that Congress urge the administration to engage China in a military dialogue on its actions and programs in cyber and space warfare, including threat reduction mechanisms, transparency initiatives, and international laws of conflict as they apply to the cyber and space domains.

Chapter 3—China’s Energy and Environment Policies and Activities

22. The Commission recommends that Congress encourage the administration to monitor the transboundary environmental impacts of China’s energy consumption and to report on the effects of China’s air pollution on air quality in the United States.
23. The Commission recommends that Congress encourage the administration to seek from China more complete reporting of the economic and environmental effects of China’s energy use and to enhance cooperation with China in collecting information about those effects, especially in collecting data on China’s carbon dioxide emissions.
24. The Commission recommends that Congress urge the administration to implement fully the goals of the 10-year energy and environmental cooperation framework that was signed with China during the fourth meeting of the Strategic Economic Dialogue in June 2008.
25. The Commission recommends that Congress encourage the administration to seek greater opportunities for public-private cooperation in the development and deployment of clean coal technology and carbon capture and sequestration technology in the United States and in China.
26. The Commission recommends that Congress urge the administration to establish a bilateral dialogue with China to discuss strategies to reduce carbon dioxide emissions, especially from coal-fired power plants, and to mitigate the effects of climate change.

27. The Commission recommends that Congress encourage the administration to work with China toward a mutually acceptable multilateral solution for adoption in international climate change negotiations.
28. The Commission recommends that Congress urge the administration to press China to reduce or eliminate in a timely fashion its tariffs on environmental goods and services so as to encourage the import of clean energy and pollution control technologies into China.

Chapter 4—China’s Foreign Activities and Relationships

China’s Expanding Global Influence and its Foreign Policy Goals and Tools

29. The Commission recommends that Congress support the administration’s efforts to pursue a dialogue with China on international aid and investment in the developing world and urge the administration to seek agreement from China on implementing transparent policies and practices for foreign development assistance.
30. The Commission recommends that Congress urge the administration to take additional steps to discourage arms sales by China to countries and regimes of concern and to sanction governments, companies, and individuals that permit the weapons they sold or purchased to be retransferred to state or nonstate actors engaged in military conflicts with U.S. forces or the forces of friends and allies.

China’s Relationships and Activities in East Asia

Taiwan

31. The Commission recommends that Congress encourage the administration to continue to work with Taiwan to modernize its armed forces.
32. The Commission recommends that Congress urge the administration to continue to support Taiwan’s meaningful participation in international organizations in which de jure statehood is not a prerequisite for participation, and to push energetically for arrangements that permit Taiwan to participate meaningfully in the activities of other international organizations including the specialized agencies of the United Nations, and for the World Health Organization/World Health Assembly to grant Taiwan official observer status.

Japan

33. The Commission recommends that Congress urge the administration to encourage Japan and China to settle their territorial disputes peacefully.
34. The Commission recommends that Congress urge the administration to negotiate an agreement with Japan to share in-

formation about contaminated and unsafe food and products exported from China.

South Korea

35. The Commission recommends that Congress direct the administration to establish a formal dialogue with the government of South Korea regarding technology transfers or losses to China that might affect national security.

Hong Kong

36. The Commission recommends that Members of Congress, when visiting mainland China, also visit Hong Kong and that Congress encourage senior administration officials, including the secretary of State, to make visits to Hong Kong part of their travel to China.
37. The Commission recommends that Congress reenact the United States-Hong Kong Policy Act of 1992, which expired in 2007.
38. The Commission recommends that Congress encourage its Members to seek opportunities for dialogue with members of the Legislative Council in Hong Kong.
39. The Commission recommends that Members of Congress, in their meetings and dialogues with members of China's National People's Congress, raise the importance of the development in Hong Kong of an electoral system with universal suffrage.

Chapter 5—China's Media and Information Controls—The Impact in China and the United States

40. The Commission recommends that Congress carefully examine any agreement involving Internet service providers that addresses pressures from the Chinese government to provide personally identifiable information about Internet users and that Congress periodically review the effectiveness of such agreements.
41. The Commission recommends that Congress investigate the possibility that Chinese government press and Internet censorship violates China's obligations as a member of the World Trade Organization.

Chapter 6—China's Compliance with Agreements Pertaining to its Export to the United States of Prison Labor Products

42. The Commission recommends that Congress enact legislation directing U.S. Customs and Border Protection of the U.S. Department of Homeland Security (DHS) to issue detention orders for all products originating in a Chinese prison labor facility when DHS' U.S. Immigration and Customs Enforcement officials have not been permitted to inspect that facility within 60 days of their request to do so.

43. The Commission recommends that Congress instruct all relevant government agencies and departments to make greater use of available open source and intelligence resources to gather information about Chinese forced labor facilities and violations so as to offset the dependence on Chinese government information in implementing the Memorandum of Understanding, the Statement of Cooperation, and relevant U.S. laws and regulations.
44. The Commission recommends that Congress urge the administration to negotiate an amendment to the Memorandum of Understanding that makes explicit that “reeducation through labor” facilities are included within the scope of U.S.-China agreements related to prison labor.
45. The Commission recommends that Congress enact legislation establishing a “private right of action”—i.e., civil litigation—allowing a business to file suit against a competitor suspected of importing prison labor products in violation of U.S. law and/or knowingly falsifying customs information in order to gain an unfair competitive advantage.