

COMPREHENSIVE LIST OF THE COMMISSION'S RECOMMENDATIONS

Chapter 1: CCP Decision-Making and Xi Jinping's Centralization of Authority

The Commission recommends:

1. Congress pass legislation creating a new Federally Funded Research and Development Center (FFRDC) (to replace the Open Source Center closed in 2015) that will translate and maintain a publicly available collection of important open source material from the People's Republic of China (PRC) and other countries of strategic interest. This legislation should require existing FFRDCs to provide to this new entity a copy of all open source Chinese-language materials collected or used in any government-sponsored analytical or related projects on an ongoing basis.
2. Congress direct the Office of the U.S. Director of National Intelligence to produce an unclassified directory of Chinese Communist Party (CCP) senior members and organizations, similar to the "Directory of PRC Military Personalities" produced and updated by the U.S. Department of Defense.
 - The directory should be updated on an annual basis and consist of an unclassified public report on the CCP, including the Party's organizational structure (including organizations affiliated with the United Front Work Department) and profiles of leaders and organizations at least to the level that the CCP defines as "senior cadre."
 - The contents of each year's directory should be retained in the form of an unclassified, publicly available, searchable database of CCP members and organizations.

Chapter 2: U.S.-China Economic and Trade Relations

Section 2: Challenging China's Trade Practices

The Commission recommends:

3. Congress consider legislation providing the authority to impose retaliatory trade measures against China in support of an ally or partner subject to Chinese economic coercion. Such legislation shall authorize coordinated trade action with U.S. allies and partners.
4. Congress direct the Administration to produce within 90 days an interagency report coordinated by the Office of the U.S.

Trade Representative to assess China's compliance with the terms and conditions of the 1999 Agreement on Market Access between the People's Republic of China and the United States of America. The assessment should be presented as a summary list of comply/noncomply status of the provisions under the agreement. If the report concludes that China has failed to comply with the provisions agreed to for its accession to the WTO, Congress should consider legislation to immediately suspend China's Permanent Normal Trade Relations (PNTR) treatment. Following the suspension of PNTR, Congress should assess new conditions for renewal of normal trade relations with China.

5. Congress direct that any entity subject to national security restrictions or sanctions by a U.S. department or agency, including but not limited to the Entity List, should be denied access to the Clearing House Interbank Payments System (CHIPS), the Automated Clearing House (ACH), and the Federal Reserve's funds transfer system (Fedwire).
6. Congress direct the U.S. Department of Commerce to provide regular (semiannual) reports on its enforcement of the foreign direct product rules and its approval of export license applications for entities seeking to export to China items produced from technology or software controlled for national security reasons. Such a report shall not identify U.S. exporters, but it shall include:
 - The number of licenses granted;
 - The number of licenses granted per export destination;
 - Item classifications for such licenses;
 - The value of such exports; and
 - The rationale for granting the licenses.
7. Congress direct the U.S. Patent and Trademark Office to mandate that any applicant for a U.S. patent that has received support under a program administered directly or indirectly by the Chinese government provide the same disclosures that recipients of U.S. federal support must provide.
8. Congress direct the U.S. Department of Commerce to develop a process to identify and self-initiate antidumping and countervailing duty petitions covering products from China. In developing the methodology to support such a process, the department shall utilize existing government data and develop new data collection efforts prioritizing the identification of products injuring or threatening to injure small- and medium-sized enterprises or industries facing long-term harm from Chinese industrial overcapacity. The department shall also develop the capabilities for the U.S. government to identify and pursue self-initiation of circumvention, evasion, and transshipment enforcement cases to address products originating from China.
9. Congress direct the U.S. Department of Commerce to update its methodology in determining antidumping duty rates for products from China to net out the subsidy or dumping impact of Chinese-sourced inputs utilized in identifying relevant

third-country proxy rates to determine dumping margins. This approach should allow for the adjustment of rates used to identify an appropriate proxy for market-based producers where China's impact on such rates may skew the true market equivalent value of such products to determine dumping margins.

10. Congress consider legislation that would address the Chinese Communist Party's efforts to undermine U.S. intellectual property protections through its use of antisuit injunctions. In considering such legislation, Congress should seek to ensure the integrity of U.S. patent laws and the strength of our nation's patent system and its support for U.S. innovation by protecting patent rights and the sovereignty of U.S. courts and the U.S. adjudicatory system.
11. In enacting legislation subsidizing research or production, Congress should evaluate whether China can legally gain access to that research or to the knowledge and equipment needed to produce that good to prevent the United States from indirectly subsidizing or supporting Chinese competitors.
12. Congress direct the Office of the U.S. Trade Representative to monitor and publicly identify in an annual report the industries wherein China's subsidies, including state monopolization and evergreen loans, pose the greatest risk to U.S. production and employment. A rebuttable presumption of guilt in antidumping and countervailing duty processes shall result from the findings of this report.
13. Congress create an authority under which the president can require specific U.S. entities or U.S. entities operating in specific sectors to divest in a timely manner from their operations, assets, and investments in China, to be invoked in any instance where China uses or threatens imminent military force against the United States or one of its allies and partners.

Section 3: China's Energy Plans and Practices

The Commission recommends:

14. Congress direct the U.S. Department of Defense to produce a classified report on the feasibility of and the military requirements for an effective blockade of energy shipments bound for China in the event of military conflict involving China. The report should place particular attention on the Strait of Malacca and the feasibility of operationalizing a blockade of shipping bound for China intending to transit that waterway. The report should also consider the extent to which China may be able to satisfy its energy needs during a crisis or conflict through stockpiles, by rationing supplies, and by relying on overland shipments through current and planned cross-border oil and gas pipelines.
15. Congress direct the U.S. Department of Energy to produce an annual report detailing the extent to which U.S. supply chains for key energy technologies, components, and materials are subject to Chinese control or manipulation.

Section 4: U.S. Supply Chain Vulnerabilities and Resilience

The Commission recommends:

16. Congress direct the Administration to create an Economic and Security Preparedness and Resilience Office within the executive branch to oversee, coordinate, and set priorities for cross-agency efforts to ensure resilient U.S. supply chains and robust domestic capabilities, in the context of the ongoing geopolitical rivalry and possible conflict with China. This Office would be tasked with:
 - Establishing a dedicated Supply Chain Mapping Unit to determine requirements, set priorities, and coordinate efforts to continuously map, monitor, and analyze the most critical supply chains, including but not limited to semiconductors, rare earths, life-saving and life-sustaining medications and their active pharmaceutical ingredients, and castings and forgings.
 - The unit would be tasked with developing interoperable performance measures to monitor and assess current U.S. supply chain resiliency and risk mitigation efforts, including data collection on U.S. supply chain dependencies on direct and indirect Chinese suppliers, prioritizing defense-critical supply chains.
 - Establishing a Defense Mobilization Unit responsible for coordinating and setting priorities for:
 - Assessment of the requirements for weapons, munitions, supplies, and other equipment necessary to equip and support U.S. forces and to assist friends and partners in the Indo-Pacific region in a potential conflict with the People's Republic of China, including conflicts of varying duration;
 - Determination of the adequacy of existing stocks and available productive capacity to meet those needs;
 - Identification of potential shortfalls or bottlenecks that might impede production and resupply in some scenarios; and
 - Recommendation of corrective measures to address these problems.
 - Including in its assessments the effects of potential disruptions in U.S.-China trade on defense mobilization and domestic availability of critical materials, products, and supplies. Where it identifies likely requirements for additional capacity, the unit shall determine funding and support mechanisms to ensure the timely development of such capabilities and capacity.
 - Consulting with other departments and agencies to identify shortfalls in current defense industrial base and supporting industrial capabilities and what additional measures might be needed to address them.
17. In enacting legislation subsidizing reshoring or existing production in the United States, Congress should evaluate whether the

subsidies may lead to additional dependence on supply chains running through or relying on China to serve that production.

18. Congress enact legislation requiring suppliers to the U.S. government in “critical” sectors, as defined by Congress, to confidentially disclose all tiers of their contractors for the purpose of identifying U.S. supply chain dependencies on China. If suppliers are unable to do this within three years and each year thereafter, they are ineligible to receive government contracts.
19. Congress direct the Administration as part of the Indo-Pacific Economic Framework (IPEF) to negotiate a prohibition on the utilization of China’s National Transportation and Logistics Public Information Platform (LOGINK) or similar systems provided by Chinese state-affiliated entities within IPEF member ports. A two-year transition period shall be provided for existing users of LOGINK or similar Chinese-controlled or -affiliated systems to terminate use of such systems and transition to secure logistics systems with no Chinese control or affiliation.
20. Congress direct each federal agency administering Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) programs to develop a due diligence program to ensure the supply chain integrity of participating U.S. small businesses and decrease their dependencies on Chinese suppliers. The program should also include resources for participating businesses to prevent investments from Chinese firms, particularly those involved in China’s Military-Civil Fusion program, that target emerging technologies and innovations valuable to the U.S. Department of Defense and other SBIR or STTR sponsoring agencies.
 - The due diligence program of each SBIR or STTR administering agency should provide financial and technical assistance to U.S. small businesses for up to three years for the purposes of supporting sustained procurement opportunities for the government and improving small businesses’ internal capacity for federal engagement. Technical assistance may include establishing procedures for identifying foreign entities of concern within small businesses supply chains.
21. Congress direct the U.S. Food and Drug Administration in cooperation with other federal agencies, within one year and on an ongoing basis thereafter, to identify pharmaceutical products that utilize active pharmaceutical ingredients (APIs) and other ingredients and inputs that are sourced directly or indirectly from the People’s Republic of China and develop alternative sourcing arrangements through available tools and resources, including Defense Production Act authorities. The United States should maximize the production of such goods domestically or, as appropriate, from trusted countries.
22. Congress direct the U.S. Department of the Treasury to require U.S. corporations and U.S.-registered subsidiaries of foreign corporations to publicly disclose, on an annual basis, all holdings in firms linked to China’s military, including those that maintain any production permit, qualification, or certification issued by

the People's Liberation Army or China's State Administration for Science, Technology, and Industry for National Defense.

23. Congress direct the Administration to release a comprehensive public report on the utilization of commercial-off-the-shelf (COTS) procurement of inputs, components, and products from China:
- By the U.S. Department of Defense and contractors in major weapons systems; in Munitions List items; and in Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) items;
 - In critical infrastructure as identified by the U.S. Department of Homeland Security; and
 - In critical supply chains and sectors as identified in U.S. government agency reports submitted per section 4 of Executive Order 14017 on "America's Supply Chains."

Such a report shall identify the specific items that were purchased, overall quantities, and, where applicable, the value of the contracts in aggregate by item.

24. Congress direct the Administration to provide a public semi-annual report on the volume of products detained, excluded, or seized for violations of the Uyghur Forced Labor Prevention Act and related enforcement activities. This report should detail product sector, product quantity, and whether the shipment was stopped directly or indirectly containing any production linked to Uyghur forced labor. This report shall also detail any and all existing loopholes in U.S. trade law and trade enforcement mechanisms that inhibit the ability of relevant U.S. government agencies to trace mined, manufactured, or procured goods made using Uyghur forced labor.
25. To ensure the U.S. government is able to assess its reliance on foreign sources, Congress direct the U.S. Department of Commerce to calculate U.S. import dependence at the product level across all industries, combining domestic production data (North American Industry Classification System [NAICS] codes) with U.S. export and import data (HTS [Harmonized Tariff Schedule] codes) in order to obtain a clearer picture of the United States' import dependence and provide the results in a publicly accessible database. This database should be consistently updated and should for each industry and product category tabulate dependence on China or any major source location that is known to use components and materials from China.

Chapter 3: U.S.-China Security and Foreign Affairs

Section 2: China's Cyber Capabilities: Warfare, Espionage, and Implications for the United States

The Commission recommends:

26. Congress direct the Office of the U.S. Trade Representative to create an updateable list of Chinese firms operating in critical

sectors and found to have benefited from coercive intellectual property transfer, including theft. Such a list would enable the U.S. Department of the Treasury to ban investment in and the U.S. Department of Commerce to deny export licenses to these firms and related parties for a rolling period of five years to prevent Chinese beneficiaries from further gaining from U.S. intellectual property loss. If additional authorities are needed, such requests should be made to Congress on an expedited basis.

27. Congress direct the U.S. Department of Homeland Security to catalog Chinese-sourced surveillance equipment, first responder communication systems, and smart cities systems used by state and local governments. The Department of Homeland Security shall further identify:
 - Levels of risk from these systems as a result of foreign interference or malicious cyber activity;
 - Plans to remove and replace such equipment to protect U.S. interests; and
 - The necessary resources to implement these plans.
28. Congress pass legislation codifying the concept of “systemically important critical infrastructure” (SICI) and requiring SICI-designated entities, defense contractors, and recipients of federal funding for research and development of sensitive and emerging technologies to undertake enhanced hardening and mitigation efforts against cyberattacks. These efforts shall follow cybersecurity standards and guidance as determined by the U.S. Department of Defense and Cybersecurity and Infrastructure Security Agency. Congress should provide appropriate legal liability “safe harbor” provisions to compliant SICI operators and appropriate support as necessary for SICI-designated small- and medium-sized companies to address the cost of compliance. Such legislation would also require that cybersecurity risk mitigation plans be a condition for the Small Business Administration (SBA) to award grants such as those under the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. As part of the regular audit process, SBA and any relevant agencies should ensure implementation of these plans and require certification of compliance.
29. Congress direct the U.S. Secretary of the Treasury to prohibit investment in and other financial transactions with any Chinese entities that have been involved in cyber-enabled intelligence collection or theft of intellectual property sponsored by the People’s Republic of China against U.S.-based persons or organizations under authorities pursuant to Executive Order 13694 on “Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities” (amended as EO 13757), including any individuals, research institutes, universities, and companies that have been affiliated with Chinese state-sponsored advanced persistent threat (APT) groups or served as contractors for China’s Ministry of State Security or People’s Liberation Army.

Section 3: China's Activities and Influence in South and Central Asia

The Commission recommends:

30. Congress direct the U.S. Secretary of State, U.S. Secretary of Defense, and Administrator of the U.S. Agency for International Development (USAID) to submit a strategy on U.S. interests in the Indian Ocean region with considerations for competition with China in the region, including:
 - Enhancing development and U.S. economic activity in the region;
 - Defending freedom of navigation;
 - Supporting and facilitating regional allies and partners in addressing security challenges in the region; and
 - Promoting cooperation with U.S. allies in the Indo-Pacific, including Japan and Australia, and major defense partners, including India, and NATO allies, including the United Kingdom and France, to support a rules-based order in the region.
31. Congress direct the Administration to submit a strategy on U.S. interests in Central Asia with considerations for significant changing circumstances in the region, including:
 - Russia's diminishing presence as a result of its unprovoked invasion of Ukraine;
 - The Taliban's rise to power in Afghanistan; and
 - China's growing influence on members of the Shanghai Cooperation Organization through promoting Chinese governance concepts, including antiterrorism and law enforcement norms aimed at suppressing political opposition and cyber sovereignty and information security standards that empower authoritarian regimes to restrict the free flow of information.
32. Congress direct the U.S. Agency for International Development (USAID), the Development Finance Corporation, and other relevant agencies to make available training to relevant officials in South and Central Asia in assessing and mitigating the risks of China's investment and lending in the regions.

Chapter 4: Taiwan

The Commission recommends:

33. Congress enact legislation creating a permanent interagency committee in the executive branch charged with developing options and creating plans for the imposition of sanctions or other economic measures in a range of possible scenarios, including (but not limited to) a Chinese attack, blockade, or other hostile action against Taiwan. This committee would evaluate the potential economic and political consequences of various options, coordinate their implementation, and advise Congress of any amendments to statutory authorities or mandates required to enhance their effectiveness. The committee should coordinate and seek to devise joint plans with the relevant agencies of oth-

er governments that may be contemplating similar measures. The committee should include participants from the U.S. Departments of State, Treasury, Commerce, Defense, and Homeland Security.

34. Congress direct the U.S. Department of Defense to produce a classified report on current and future military posture, logistics, maintenance, and sustainment requirements to bolster the United States' "capacity to resist force" in the event of a Chinese attack and attempted invasion of Taiwan. The report shall assess the requirements for all scenarios, including protracted combat in a contested environment (e.g., anti-access, area denial), and evaluate how to best enable a dispersed, distributed force in the Indo-Pacific.
35. Congress should make available significant additional multiyear defense funds in conjunction with: (i) a joint planning mechanism made up of Taiwan and U.S. defense officials identifying sets of interoperable and complementary capabilities required for the defense of Taiwan; and (ii) Taiwan legislatively committing significant additional funds to procure its share of those capabilities for its military.

Chapter 5: Hong Kong

The Commission recommends:

36. Congress direct the Administration to extend the deferral of enforced departure of qualifying Hong Kong citizens in the United States, which would otherwise end in February of 2023. The U.S. Departments of State and Homeland Security shall submit a plan to Congress within 180 days addressing the long-term status and treatment of Hong Kong citizens in the United States.
37. Congress consider legislation requiring U.S. entities with data operations in Hong Kong to submit an annual report on any requests or attempts to access such data from the Hong Kong government or Chinese authorities. This report will also detail the nature of any request or attempt to access and the U.S. entity's compliance.
38. Congress direct the U.S. Secretary of State to include a detailed list of all websites blocked in Hong Kong pursuant to its annual report requirements under the Hong Kong Policy Act to document limitations to freedom of information.
39. Congress, pursuant to the Hong Kong Human Rights and Democracy Act, amend the International Organization Immunities Act to remove Hong Kong Economic and Trade Offices as a covered organization, thereby eliminating diplomatic privileges enjoyed by such offices and their employees in the United States. This amendment could be reversed under one of the following conditions:
 - The People's Republic of China negotiates an agreement with the United States to have Hong Kong Economic and Trade Offices considered an official part of the People's Republic of

China's mission to the United States and subject to the same requirements.

- China alters its treatment of Hong Kong to allow for sufficient autonomy and abides by One Country, Two Systems, as enumerated by the Hong Kong Policy Act.