



TO: Republican Study Committee members

FROM: Chairman Jim Banks

DATE: April 19, 2022

RE: Top Ten Blunders to Track During Conference Negotiations

Senate and House conferees are starting to negotiate a final version of Democrats' fake China bill. As written, both the Senate and the House versions harm the United States and help China.

Unless the Conference Committee makes significant and unexpected changes to the legislation, Conservatives should remain strongly opposed to its passage. RSC staff compiled the top ten blunders from the previous versions that should be addressed to help you explain why we're resisting Democrats' handout to Chairman Xi.

Top Ten Blunders to Track During Conference Negotiations

- 1. Wasteful Spending USICA would spend over \$250 billion and the America CONCEDES Act would spend about \$320 billion. Meanwhile, inflation has reached a staggering 8.5%.
- 2. China Accountability Despite the price tag, both bills provide very little funding for law enforcement, export controls, or sanctions enforcement to hold China accountable. While the House bill contained an RSC amendment authorizing the expansion of the Office of Foreign Asset Control (OFAC) staff to enforce China sanctions, and both bills included new funding for Custom and Border Patrol (CBP)'s forced labor division, there is very little in either bill to support law enforcement priorities.
- 3. National Defense Defense funding is almost nonexistent in both bills except for a pocket of DARPA funding in USICA. Though the House bill <u>directs</u> the U.S. Armed Forces to train to combat climate change events.
- 4. <u>CHIPS for China?</u> Neither bill includes sufficient guardrails for the over \$50 billion in subsidies to semiconductor companies under the CHIPS Act that would prevent the subsidies from going to chip companies that are expanding their business in China.
- 5. Protecting American IP Neither bill includes strong provisions to <u>protect</u>American intellectual property, like those recommended in RSC's <u>Countering Communist China Act</u>. While the Senate bill does contain some new tools such as economic sanctions targeted at those involved in IP theft—it doesn't do nearly enough to prevent China's IP theft.
- 6. Countering China Influence Neither bill includes real efforts to take on China's malign influence campaigns in the United States. There are no provisions to strengthen transparency requirements for think tanks that receive foreign money, to update and enhance FARA, or to impose <u>sanctions</u> on the United Front Work Department.
- 7. Immigration from China Other than a mostly symbolic provision in the Senate bill authorizing the Secretary of State to block entry to individuals seeking to steal U.S. intellectual property, both bills lack immigration provisions that enhance vetting and ban visas for Communist Party-connected individuals.

- The House bill even <u>creates</u> a new visa cap carveout program that's even less secure than our current, fraud-riddled visa programs.
- 8. Foreign Gifts Both bills don't do enough to prevent malign foreign influence at universities. While the bills do contain a number of notable reforms in this direction such as reducing the threshold for reporting requirements, and a provision in USICA to expand CFIUS reviews to cover foreign gifts and contracts at colleges and universities neither bill includes meaningful enforcement provisions.
- 9. Trump-style Reg Reforms Neither bill includes significant provisions to reduce regulatory barriers in our manufacturing industry and unleash American innovation through the free market in key sectors such as the pharmaceutical sector.
- 10. Left's Diversity and Climate Priorities—Both bills include the left's woke priorities on climate and diversity. The Senate bill in particular includes language which creates a diversity directorate at the National Science Foundation, as well as a pilot program supporting "advancing equity" within the National Science Corps. Both the House and Senate bills would support the Left's "Green Agenda" and climate priorities.