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January 29, 2025

The Honorable Michael Waltz
National Security Advisor
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Waltz,

As you know, on January 20, 2025, President Trump issued a memorandum to key agencies calling for, among other priorities, “the Secretary of State and Commerce to review the U.S. export control system in light of developments involving strategic adversaries.”¹ Shortly thereafter, People’s Republic of China (PRC) AI firm, DeepSeek, released a sophisticated model that made extensive use of Nvidia’s H20 chip, which is currently outside the scope of U.S. export controls.² We ask that as part of this review, you consider the potential national security benefits of placing an export control on Nvidia’s H20 and chips of similar sophistication while cracking down on chips designed specifically for AI inference, not just training.

Some are already using DeepSeek’s latest model to cast doubt on the effectiveness of U.S. export controls, an argument we respectfully reject.³ DeepSeek’s own founder, Liang Wenfeng, acknowledged that the U.S. “embargo on high-end chips” was a major roadblock to the company’s development.⁴ Furthermore, DeepSeek made extensive use of Nvidia’s H800 chip, the first chip that Nvidia designed specifically to fall outside U.S. export controls.⁵ This demonstrates what the Select Committee has long argued: frequently updating export controls is

¹ The White House. “America First Trade Policy – Memorandum for the Secretary of State and others.” January 20, 2025. <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>

² Heim, Lennart. .XYZ. “The Rise of DeepSeek: What the Headlines Miss.” January 25, 2025. <https://blog.heim.xyz/deepseek-what-the-headlines-miss/>

³ Lee, Lizzi. The Wire China. “DeepSeek and the Strategic Limits of U.S. Sanctions.” January 26, 2025. <https://www.thewirechina.com/2025/01/26/deepseek-and-the-strategic-limits-of-u-s-sanctions/>

⁴ Schneider, Jordan, Shein, Angela, Zhang Irene, et al. ChinaTalk. “Deepseek: The Quiet Giant Leading China’s AI Race.” November 27, 2024. <https://www.chinatalk.media/p/deepseek-ceo-interview-with-chinas?ref=blog.heim.xyz>

⁵ DeepSeek-AI. Arxiv. “DeepSeek-V3 Technical Report.” December 27, 2024. <https://arxiv.org/abs/2412.19437?ref=blog.heim.xyz>

imperative to ensure the PRC will not exploit regulatory gaps and loopholes to advance their AI ambitions.⁶ Any review conducted by the NSC on the effectiveness of export controls should address delayed updates to our export controls. On the Select Committee, we stand in support of American AI innovation – and that includes imposing reasonable safeguards to protect such innovation from the PRC.

Second, it is clear we are at an inflection point in the AI market where PRC AI systems are increasingly available for use in the United States. It is imperative that we do not allow PRC AI systems to gain significant market share in the United States, while acquiring the data of U.S. users that only further enable the capabilities of the AI system. The DeepSeek privacy policy explicitly provides that the company “store[s] the information we collect in . . . servers located in the People's Republic of China.”⁷ We ask you to consider updating Federal Acquisition Regulations (FAR) to prohibit the federal government from acquiring AI systems based on PRC models such as DeepSeek, except for appropriate intelligence and research purposes. We further request you consider using E.O. 13873 to restrict PRC AI systems from being used in U.S. critical infrastructure, while ensuring the agencies charged with enforcing these safeguards are appropriately resourced to do so.

Third, as part of the review, we ask that you look for ways to strengthen controls on shipments through third countries that pose a high risk of diversion. For example, Singapore represented 22% of Nvidia’s revenue in its most recently quarterly statement, despite the company itself revealing most of these shipments ultimately went to users outside of Singapore.⁸ Countries like Singapore should be subject to strict licensing requirements absent a willingness to crack down on PRC transshipment through their territory.

Thank you for your continued work on this important matter.

Sincerely,

⁶ The House Select Committee on the CCP. “Letter to Commerce on Global AI Rule.” January 2, 2025. <https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/01.02.24%20Letter%20to%20BIS%20on%20Global%20AI%20Rule.pdf>

⁷ Burgess, Matt, Newman, Lily Hay. Wired. “DeepSeek’s Popular AI App is Explicitly Sending US Data to China.” January 27, 2025. <https://www.wired.com/story/deepseek-ai-china-privacy-data/>

⁸ Nvidia Corporation. “FORM 10-Q for the quarterly period ended on October 27, 2024.” October 27, 2024. <https://www.sec.gov/Archives/edgar/data/1045810/000104581024000316/nvda-20241027.htm>



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