LOTSIXTEEN

Committee: House Select Committee on China
Event: Import Controls: Tools to Counter the CCP's Industrial Policy and Supply Chain Threats
Date: September 16, 2026

Executive Summary:

On September 16, 2026, the House Select Committee on China held a hearing to examine how import controls can be used to counter China's industrial policy and reduce U.S supply chain vulnerabilities. Consensus emerged among Members regarding the urgent need for congressional action to restrict China's ability to create further supply chain dependencies, as well as for renewed import controls and domestic manufacturing incentives.

Member Toplines:[1]

Chairman John Moolenaar (R-MI-02): Moolenaar underscored the urgency of congressional and executive branch action to eliminate U.S. critical supply chain dependencies on China. He warned that China is seeking to dominate emerging technologies through practices such as intellectual property theft and industrial overcapacity, and could leverage its position in sectors such as rare earth metals and connected vehicles to create further domestic economic and national security vulnerabilities.

Rep. Andre Carson (D-IN-07): Carson argued that policies to safeguard national security against Chinese companies and products must be paired with policies that strengthen American and allied manufacturing capacity. He emphasized that restrictions, tariffs, and export controls carry costs for domestic businesses and American consumers and should be narrowly targeted as significant national security threats rather than used to "settler personal feuds."

Witness Toplines:

Craig Singleton, China Program Senior Director, Foundation for Defense of Democracies: Singleton argued that U.S. technology security policy must expand beyond restricting the flow of sensitive technologies to China, and should instead address the risks posed by Chinese technologies entering and becoming embedded in U.S. markets and critical infrastructure. He warned that Chinese technology "beachheads" in critical markets have the capacity to create both security vulnerabilities through network access, as well as economic vulnerabilities through supply chain dependence. Singleton called for a more proactive inbound technology security framework, including mandatory reviews of high-risk foreign technologies, stronger Federal Communications Commission authorities, and federal procurement restrictions. He also

[1] The opening remarks of Rep. Carson were unavailable at the time of this memo's distribution.

emphasized the need to develop secure supply chains with U.S. allies and establish pathways for trusted foreign technologies to scale in North American markets.

Oren Cass, Founder & Chief Economist, American Compass: Cass emphasized that China's state-directed economic model distorts global markets, weakens U.S. industrial capacity, and creates strategic dependencies that can provide them with economic leverage. Rather than better integrating markets, he argued that the U.S. should instead obstruct and discourage integration altogether because of gross asymmetries in the technologies China is willing to export. He advocated for import controls in critical sectors where the U.S. needs to rapidly reduce dependence on China and rebuild domestic production. He also called for Congress to advance legislation that strengthens U.S. authorities to address these dependencies and protect the domestic industrial base, such as the Connected Vehicle Security Act of 2026 (S. 4429) and the GUARD Act (S. 3062).

Peter Harrell, Visiting Scholar, Georgetown Law School's Institute of International Economic Law: Harrell emphasized the fragmented nature of the existing U.S. import authorities and called for a systematic process to identify priority risks to national security and develop alternative sources. He cautioned that import restrictions alone can create supply shortages or fail to address underlying vulnerabilities. Harrell called for Congress to strengthen and provide greater transparency around import-control authorities, pair restrictions with domestic and allied production, and ensure that replacement technologies meet appropriate cybersecurity standards.

Major Takeaways:

Supply Chain Dependencies & Import Controls

- Moolenaar asked about differing incentive structures between American businesses and Chinese enterprises affiliated with the Chinese Communist Party.
    - Cass argued that free trade with a communist, authoritarian, state-controlled economy imports distortions into the U.S. market.
- Rep. **Shontel Brown** (D-OH-11) asked what Congress should pair with import restrictions to ensure local agencies can obtain secure equipment alternatives.
    - Harrell outlined a three-part investment strategy: (1) funding research and development for alternative technologies; (2) providing domestic manufacturing incentives such as grants and loans; and (3) investing in workforce training.
- Brown asked what disclosures the federal government should require to help local purchasers identify secure equipment without necessitating individual investigations.
    - Singleton stressed the need to "follow the technology" and called on the federal government to require disclosure of who controls a technology, where it was produced, and where the components were made.
- Rep. **Dan Newhouse** (R-WA-04) asked how federal strategies should differ when preventing future dependencies versus decoupling existing ones.
    - Harrell suggested the U.S. conduct a comprehensive survey of import vulnerabilities and act on emerging industries before dependencies form.

    - Cass added that while future dependencies can be blocked immediately, existing dependencies require phased import reductions paired with industrial policy and subsidies to facilitate replacement efforts.
- Carson asked how restricting the importation of imports such as rare earth magnets and titanium would impact defense production capabilities and associated jobs.
    - Harrell acknowledged the severe U.S. dependence on Chinese rare earths but expressed optimism that investments from the Department of Defense (DOD) will reduce this vulnerability over the next few years.
- Newhouse asked for specific examples on what is being done to address these critical mineral supply chain deficiencies.
    - Harrell highlighted ongoing efforts to expand domestic production of critical minerals and rare earths through incentives, including federal grants, equity investments, and offtake agreements. He detailed recent DOD efforts to provide grants and loans to invest in domestic neodymium mining and processing. He also noted that the U.S. cannot produce all critical minerals domestically and stressed the need to partner with allies like Canada and Brazil to build resilient supply chains.

AI & Vehicles

- Rep. **Raja Krishnamoorthi** (D-IL-08) raised concerns about Chinese open-weight AI models, noting models like DeepSeek collect user data in China and are highly susceptible to following malicious instructions. He highlighted his No Adversarial AI Act (H.R. 4142), which would prohibit the federal government from procuring similar models.
- Moolenaar asked for an explanation concerning the urgency behind the GUARD Act (S. 3062) and the Connected Vehicle Security Act (S. 4429)
    - Singleton stressed that the U.S. has not yet completed a national security risk assessment of the sensor data these vehicles could collect.
    - Cass highlighted the importance of legislation that makes restrictions permanent and creates the market certainty needed to attract domestic investment. He emphasized that beyond the national security risks of connected vehicles, the U.S. must not allow China to destroy its auto industry.
    - Harrell underscored the urgency by pointing to Europe, where Chinese connected vehicles sales went from low single digits to 20–25 percent of all new vehicles sales in 18 to 24 months, and warned that the U.S. could face a similar reality if it doesn't act soon.
- Krishnamoorthi warned that Chinese electric vehicles (EVs) are very inexpensive due to large state subsidies, arguing that American companies are competing directly against the Chinese government. He cautioned that allowing Chinese EVs into the American market would destroy the domestic auto industry.

Foreign Policy & Allied Cooperation

- Rep. **Thomas Suozzi** (D-NY-03) asked whether the U.S. should pursue a hawkish or cooperative relationship with China.
    - Singleton emphasized the importance of both slowing China down and speeding up domestic production, especially in the semiconductor and other technology industries, in order to reduce U.S. dependence on China.

    - Cass advocated for an “extraordinarily hawkish” approach, asserting that there is no path to a collaborative relationship and that the U.S. must treat China as an adversary.
    - Harrell stated that the U.S. must manage the relationship to reduce reliance on China, while also accepting that they will remain a strategic competitor.
- Rep. **Jill Tokuda** (D-HI-02) asked whether American corporate investments and joint ventures in China, such as Ford’s licensing agreement for EV battery technology with CATL, deepen U.S. dependencies and facilitate technology transfers.
    - Singleton criticized Ford’s deal with CATL, arguing that partnerships locking in reliance on Chinese technologies will create dependencies that will be very difficult to unwind.
    - Harrell noted that companies will continue making economically rational decisions unless constrained by policy, suggesting Congress should consider expanding outbound investment restrictions to industrial base sectors.
- Krishnamoorthi criticized the Trump administration’s use of blanket tariffs and threats against allies, arguing that such tactics undermine the coalition needed to counter the Chinese Communist Party.
    - Rep. **Haley Stevens** (D-MI-11) echoed these concerns, emphasizing that the U.S. must strengthen ties with its allies rather than attacking them.
- Carson asked which policy tools are most effective for training workers and supporting U.S. innovation.
    - Cass underscored the importance of aligning workforce development alongside research and capital investments. He pointed to the *CHIPS Act* as a successful model, explaining that capital investments create the demand necessary for firms, specifically naming Micron and TSMC, to partner with community colleges and labor unions to develop targeted training programs.