

SENATORS RUBIO AND BALDWIN

“FAIR TRADE WITH CHINA ENFORCEMENT ACT”

Background: Our imbalanced trading relationship with China poses profound national and economic security risks to the United States. It weakens the integrity of our critical infrastructure, finances China’s plan to displace American manufacturing, and positions an authoritarian communist regime as our most powerful world rival.

The Trump Administration’s trade actions create an opportunity to correct these imbalances. Congress should act to further strengthen the American position by safeguarding assets from Chinese influence and possession, and blunting China’s tools of economic aggression.

<u><i>Problem:</i></u>	<u><i>Fair Trade with China Enforcement Act Solution:</i></u>
<ul style="list-style-type: none"> • China builds its industrial capacity with U.S. intellectual property (IP) and technology. 	<ul style="list-style-type: none"> • Prohibit the sale of national security sensitive technology and intellectual property to China.
<ul style="list-style-type: none"> • China has bought up U.S. debt, stocks, and real estate to increase their trade surplus and weaken the U.S. economy. 	<ul style="list-style-type: none"> • Update an income tax treaty signed in the 1980s and tax China on their investments in the U.S., including their holdings of the national debt.
<ul style="list-style-type: none"> • China advances a plan to displace advanced American manufacturing. 	<ul style="list-style-type: none"> • Prepare duties on, and impose Chinese investor shareholding caps on U.S. companies producing, goods targeted by the Made in China 2025 plan.
<ul style="list-style-type: none"> • Chinese state-directed telecommunications companies seek to infiltrate and compromise the integrity of U.S. networks 	<ul style="list-style-type: none"> • Prohibit the federal government, or subsidiaries/contractors, from purchasing telecommunications equipment or services from Huawei and ZTE.