

# United States Senate

WASHINGTON, DC 20510

October 13, 2022

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear President Biden,

We call on the administration to take immediate action to halt Huawei's attempt to build the Pengxinwei IC Manufacturing Company (PXW) semiconductor foundry. This Huawei-aligned foundry is designed to fatally undermine the U.S. strategy to counter the Chinese Communist Party's (CCP) bid to dominate global 5G markets and strengthen its intelligence and repression apparatus.

Bloomberg recently published evidence that Huawei began construction over seven months ago on a factory where PXW is expected to eventually mass produce chips as advanced as 14 nanometers and 7 nanometers. Almost all of these chips are expected to be sold to Huawei, and PXW reportedly has already ordered the advanced equipment necessary to build these chips. This would represent a dangerous leap in Chinese semiconductor manufacturing, as Chinese chipmakers have thus far only been able to produce 7-nanometer chips in limited quantities. With these new chips for its base stations, Huawei could resume its march towards 5G market dominance, and the CCP will advance its plan to control global telecommunications and extend its economic espionage and repression.

We are deeply concerned that, despite the obvious threat that PXW poses, your administration has taken no official steps to delay the project's progress, despite being aware of the project for some time. The Department of Commerce's apparent inaction is a dereliction of duty. Despite PXW's clear connection with Huawei, Commerce has not added PXW to its Bureau of Industry and Security's (BIS) Entity List or its list of Huawei subsidiaries under the Foreign Direct Product Rule. As far as we can tell, Commerce has not sent a single "informed" letter to any entities potentially working with PXW, ordering them to halt all shipments to and transactions with the factory.

Export controls are among our nation's foremost tools to win the economic long war with China. It defies logic that, at the same time as your administration worked on a package of export controls on Chinese semiconductors, it has not used all the tools at its disposal to end PXW's development. Your administration should blacklist PXW immediately, unless you wish to preside over the unravelling of the U.S. campaign against Huawei and the CCP's bid for global 5G dominance.

Thank you for your prompt attention to this matter. I look forward to receiving your response.

Sincerely,



Tom Cotton  
United States Senator



Bill Hagerty  
United States Senator

*Marsha Blackburn*

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Marsha Blackburn  
United States Senator

*M. R.*

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Marco Rubio  
United States Senator

*Ted Cruz*

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Ted Cruz  
United States Senator