

United States Senate

WASHINGTON, DC 20510-3203

May 3, 2023

The Honorable Avril Haines
Director
Office of the Director of National Intelligence
Washington, D.C. 20511

Dear DNI Haines:

Recently, China's government directed the Cyberspace Administration of China (CAC) to undertake a so called cybersecurity review of Micron Technology, Inc. While this action by China's government is in character, it is a deeply troubling action and a clear act of economic coercion to intimidate the United States and allies and partners as we coordinate to restrict China's access to advanced technologies and capabilities, associated tools, and capital.

What's more is that this is likely an effort by the Chinese Communist Party (CCP) to ensure that its competitor to Micron – ChangXin Memory Technologies, Inc. (CXMT) – is able to gain market share and additional insight in Micron's intellectual property. CXMT is a large and growing maker of DRAM storage chips, and serves as one of the CCP's companies at the forefront of their ambitions to match the U.S. technologically, particularly in semiconductor chips that will be essential to everything from artificial intelligence and quantum computing to defense technologies. Just a few weeks ago, CXMT announced its intentions to file for a domestic initial public offering that could value the company at over \$14.5 billion. At the same time, there are troubling reports that the technology restrictions announced by the Bureau of Industry and Security (BIS) on October 7, 2022 will have minimal impact on CXMT, allowing CXMT to leverage US technology—particularly semiconductor tooling technology—to further advance its technology and capacity in an effort to dominate the DRAM market.

The action against Micron taken by China's government is undoubtedly just a start to similar actions against other American, allied, or partnered nations if we do not stand up to this behavior. That means we must continue to build a coalition of likeminded nations to push back against the coercive actions of the Chinese, including bringing along the South Korean government to ensure Samsung and SK Hynix do not backfill any lost production in China if the CCP sanctions Micron. That also means restricting CXMT's access to tooling technology, the opposite of what is happening now. Just as Yangtze Memory Technologies Company (YMTC), a state-backed flash memory maker in Wuhan, was added to the BIS' Entity List last year, we now must take similar action in adding CXMT to the Entity List.

As such, please direct the intelligence community to conduct an urgent assessment of China's actions with respect to CXMT, including use of CXMT chips by already blacklisted companies and impact of BIS' reported license approvals, and the ongoing action of the CAC to target an American company.

I look forward to learning of the outcome of this assessment.

Sincerely,



Charles E. Schumer
United States Senator