

# EXECUTIVE SUMMARY

## The Generational Threat of the Chinese Communist Party

Since the establishment of diplomatic relations with the People's Republic of China (PRC) more than 40 years ago, the United States has sought to draw the PRC into the community of nations as a responsible stakeholder. U.S. leaders pursued a strategy of engagement based on the assumption that expanding the bilateral economic relationship with the PRC would advance the U.S. national interest and lead the Chinese Communist Party (CCP) to change. This engagement strategy often turned a blind eye to the CCP's human rights violations, economic malfeasance, expansionist aggression, and empty promises, as well as the CCP's deep commitment to a hostile Communist ideology that drives this malign behavior. This strategy has, simply put, failed.

In just the past year alone, the CCP has violated an international treaty and dismantled Hong Kong's civil liberties; continued its oppression of ethnic minorities, including Uyghurs and Tibetans; increased its military buildup, conducted increasingly belligerent provocations, and violated other nations' sovereignty at sea; engaged in fatal skirmishes to conduct a land-grab on the Indian border; and asserted new territorial claims over Bhutan. Moreover, by silencing doctors and suppressing medical information from the world, the CCP allowed a local outbreak of a virus to turn into a global pandemic, killing almost one million people to date and devastating the global economy. This pandemic exposed various U.S. supply chain vulnerabilities, the dangers of U.S. overreliance on the PRC, and the need for a more robust domestic medical and technological manufacturing capacity.

This series of wakeup calls has revealed how CCP ideology is undermining the core principles of the international system and putting Americans' safety and prosperity at risk. Leniency and accommodation of the CCP and its oppressive agenda is no longer an option. To preserve democracy and freedom around the world, the U.S. must act decisively with our allies to regain the initiative. Addressing such malign conduct can no longer be one of many priorities for our respective governments, but rather the organizing principle of the free world.

## Assessing the Chinese Communist Party Threat

Recognizing the urgency and magnitude of the CCP's threat to American values and interests, Republican leaders in the U.S. House of Representatives set out to develop a policy action plan for Congress and the Administration to better combat this multifaceted challenge. Despite numerous and repeated invitations over a series of months, House Democrats refused to join or contribute to this vital effort. The GOP had no choice but to move forward independently due to the exigency of the threat.

Fifteen Members representing 11 Committees addressed the U.S. strategic competition with the CCP by focusing on: Ideological Competition, Supply Chain Security, National Security, Technology, Economics and Energy, and Competitiveness. The CTF conducted briefings with current and former administration officials on both sides of the aisle, business executives, Ambassadors, and various outside experts. In total, the CTF engaged with more than 130 leaders to provide insights and solutions for its comprehensive action plan.

## Results of the Review

After months of virtual and socially distanced, in-person classified and unclassified briefings, the CTF drafted this report with 82 key findings and more than 400 forward leaning recommendations. The CTF prioritized recommendations that have bipartisan support and have already moved forward in the legislative process. As a result, well over half of the legislative recommendations are bipartisan and more than one-third have passed either the House or the Senate. This report is the blueprint for bipartisan actions Congress and the Administration can take now to address the greatest national and economic security challenge of this generation.

## Key CTF Recommendations Include:

### *Ideological Competition*

- Evaluating whether the CCP's crimes against Uyghurs amount to genocide, fully implementing sanctions laws enacted in response to the CCP's Hong Kong crackdown, and taking further specific actions to respond to the full range of CCP human rights violations, from religious freedom violations to forced organ harvesting.
- Coordinating a whole-of-government offensive information statecraft campaign to counter the CCP's propaganda machine by using truth and our values to undermine CCP's lies and malign ideology.
- Ensuring our citizens are aware when they are watching or listening to CCP sponsored and censored media and entertainment content.
- Countering the CCP's global malign influence by requiring transparency and accountability within the United Nations system, including at the World Health Organization.
- Funding technologies and the distribution of devices that help democracy fighters maintain digital security, ensure mobile access, and reconstitute websites after a cyberattack.
- Highlighting the CCP's rampant environmental destruction, including its status as the world's largest carbon emitter.

## Supply Chain Security

Better securing our medical and national security supply chains by:

- Providing aggressive, smart, and targeted tax incentives to accelerate our research and development (R&D) and production of crucial medicines, medical supplies, ingredients, tests, and vaccines;
- Creating a grant program necessary to catalyze domestic production of important technologies and designing tax incentives to secure U.S. supply of advanced semiconductors; and
- Overhauling the federal permitting process for mineral development and prioritizing advancements in mineral refining so neither industry nor the Defense Industrial Base are reliant on the CCP.

## National Security

- Working with the DoD to modernize force structure, posture, operational concepts, and acquisitions in order to deter CCP aggression in the Indo-Pacific and around the world.
- Ensuring modernization of all three legs of the nuclear triad as well as development and fielding of conventional capabilities critical to counter the PLA in the Indo-Pacific, including ground-launched cruise and ballistic missiles.
- Underscoring the need for a minimum three to five percent real growth in the defense budget per year in order to deter and defeat the PLA and other key adversaries.
- Increasing focus on how the U.S. military protects space capabilities and carrying out space exploration goals by leveraging private sector investments.
- Cutting off material support of CCP military industrial base companies, including divestment from companies with ties to the CCP's military.
- Safeguarding the U.S. electoral process and the integrity of our elections with various measures, including the identification of foreign malign actors and ensuring any individuals who engage in interference are inadmissible for entry to the U.S. or deportable if already present.
- Providing more resources for investigations, criminal prosecutions, and other actions against CCP sponsored IP theft in addition to closing loopholes the CCP has exploited in our visa system.
- Enhancing federal counterintelligence capabilities and bolstering Mandarin language capacity.

## Technology

- Taking a whole-of-government approach to assess the security risks posed by the PRC in 5G networks and increasing cooperation between the U.S. and its allies and partners in identifying and countering them.
- Supporting the formation of a new D-10 group of leading democracies to develop and deploy 5G and subsequent generations and establishing a reimbursement program for companies to remove equipment from their communications networks that poses a national security risk.

- Securing international leadership in the technologies of tomorrow, including AI, quantum, 5G, and autonomous vehicles.
- Sanctioning PRC telecommunications companies engaged in economic or industrial espionage and any PRC entity that tries to hack COVID-19 researchers working on a vaccine.

## Economics and Energy

- Ensuring no U.S. taxpayer dollars support any PRC state-owned enterprises.
- Harmonizing export control policies with our partners and allies to keep critical technologies, including semiconductor manufacturing equipment and R&D, from our adversaries.
- Applying heightened scrutiny for investments in U.S. companies or operations from the PRC.
- Strengthening trade relationships with our allies to establish U.S. standards and counter the PRC's influence.
- Pursuing trade policies that deter and protect against the PRC's theft of IP.
- Enforcing reciprocal treatment of PRC investment into the U.S. to restore symmetry in bilateral investment rules.
- Ensuring PRC companies are held to the same financial disclosure standards as American companies when listing on U.S. stock exchanges.
- Working to deepen our trade ties with Taiwan and resolving specific outstanding trade issues so the Administration can take steps to launch trade agreement negotiations once those issues are addressed.
- Strengthening the Development Finance Corporation, Export Import Bank, and other government efforts to more robustly counter the CCP's Belt and Road Initiative and debt trap diplomacy.
- Continuing to advance U.S. energy security in order to be a global counter against the PRC, particular on the nuclear energy front.

## Competitiveness

- Doubling the funding of basic science and technology research over the next 10 years.
- Increasing coordination and funding for STEM education to create a more capable, skilled workforce.
- Strengthening the protection of sensitive research at America's colleges and universities and leading research institutions which includes restricting all federal employees and contractors from participating in foreign talent programs.
- Requiring colleges and universities to annually report all donations from the PRC.