

September 15, 2021

Honorable Nancy P. Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, DC 20515

Honorable Kevin O. McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, DC 20515

Dear Madame Speaker Pelosi and Minority Leader McCarthy,

We are writing to you today in an effort to help America maintain its position as the global technology leader.

Throughout our careers, we have supported leveraging America's distinct advantage in technological innovation to help ensure that our nation's military and intelligence capabilities remain unmatched. Such capabilities are integral to our national security as we confront China's aggressive ambitions to undermine U.S. influence and shape the global order. The Chinese Communist Party (CCP) knows that to achieve this goal, China must become the world's leading innovator. To this end, the CCP continues to employ industrial policies in order to create and support "national champion" technology companies, providing them with an economic advantage over Western counterparts. We strongly believe it is in the best interest of our national and economic security to prevent China from achieving its objective of becoming the global leader in technological innovation.

The recent U.S. Innovation and Competition Act (USICA) has the potential to put us on strong footing to compete with China. This bipartisan effort demonstrates the central role Congress continues to play in supporting U.S. investments in areas critical to maintaining America's technological edge.

The U.S. should adopt policies to ensure we can lead in research and development (R&D), innovation, standards setting, and secure production and supply. Yet just as competition with China enters a critical phase, Congress risks undermining America's key advantage vis-à-vis China by pursuing domestic legislation that threatens to impede U.S. companies and their ability to pursue such innovation. Recent congressional antitrust proposals that target specific American technology firms would degrade critical R&D priorities, allow foreign competitors to displace leaders in the U.S. tech sector both at home and abroad, and potentially put sensitive U.S. data and IP in the hands of Beijing.

We agree that there are substantial policy debates to be had regarding the scope and power of U.S. technology companies, and that legislative efforts could play a role in balancing the needs of consumers and protecting the marketplace in a rapidly changing tech ecosystem. However, we believe more deliberate analysis is needed to examine the detrimental impact these bills could

have on our strategic competition with China. Congress should not proceed with current legislative proposals before understanding the full range of potential consequences.

At the very least, legislation intended to ban new acquisitions and force break-ups of some of the largest U.S. tech companies – and, in particular, those focused on consumer markets – deserves more study. Provisions in these bills that target a narrow group of U.S. companies without requiring similar oversight of Chinese tech giants such as Huawei, Tencent, Baidu, and Alibaba would place these already formidable competitors in a better position to assume global preeminence.

For this reason, we believe Congress should establish a congressional study that works collaboratively with the Administration and other stakeholders on both protecting American innovation and developing a comprehensive strategy to counter the growing challenge posed by China and its authoritarian approach to digital governance. This study would allow the U.S. to develop a long-term plan to strategically compete against the rising power of Beijing. As part of this, relevant experts could analyze how regulation should be updated to reflect the increasingly globalized nature of America's tech sector, and better understand the role it plays in supporting the U.S.'s economic and national security interests. Such a study would also complement bipartisan China-focused legislation already being considered in Congress, and provide recommendations on how efforts to regulate U.S. technology companies domestically could be done in a more strategic manner.

The current effort to regulate the U.S.'s largest technology companies should not be done at the expense of U.S. economic and national security. Rather than passing bills that cede U.S. tech leadership to China, we must build on America's key advantages and ensure that the United States remains a technological powerhouse for decades to come.

Sincerely,

Robert Cardillo
*Former Director, National Geospatial-
Intelligence Agency*

John D. Negroponte
*Former Deputy Secretary of State
Former Director of National Intelligence*

Dan Coats
*Former Director of National Intelligence
Former U.S. Senator from Indiana*

Leon E. Panetta
*Former Secretary of Defense
Former Director, Central Intelligence
Agency*

Admiral James Foggo III
*Former Commander of United States Naval
Forces Europe-Africa
Distinguished Fellow, Council on
Competitiveness*

Vice Admiral Jan E. Tighe
*Former Director of Naval Intelligence
Former Commander of the Tenth Fleet*

Richard H. Ledgett Jr.
*Former Deputy Director, National Security
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Frances Townsend
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Counterterrorism and Homeland Security*

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Michael Morell
*Former Acting Director and Deputy
Director, Central Intelligence Agency*

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*Former Undersecretary of Defense for
Intelligence*

Admiral James “Sandy” Winnefeld Jr.
*Former Vice Chairman of the Joint Chiefs of
Staff*